Independence and Internationalism

Report of The Special Joint Committee on Canada's International Relations

LIBRARY OF PARLIAMENT

Joint Chairmen: Senator Jean-Maurice Simard & Tom Hockin, M.P.

June 1986

BIBLIOTHÈQUE DU PARLEMENT
LIBRARY OF PARLIAMENT
3 2354 00194 667 5

BIBLIOTHÈQUE DU PARLEMENT
LIBRARY OF PARLIAMENT
3 2354 00194 661 8

Canada. Parliament.
J Special Joint Committee on
103 Canada's International
H7 Relations.
33-1 Independence and
C32 DATE internationalism.
A12

3 2354 00194 661 8

3 2354 00194 667 5

27/09/8

J
103
H7
33-1
C32
A12

Independence and Internationalism

Report of the Special Joint Committee
of the Senate
and
of the House of Commons
on

Canada's International Relations

June 1986

LIBRARY OF PARLIAMENT
CANADA
04 JULY 1986
BIBLIOTHÈQUE DU PARLEMENT

Joint Chairmen:
Senator Jean-Maurice Simard
Tom Hockin, M.P.

NOTE: The Minutes of Proceedings and Evidence of the Committee, Issues Nos. 19 to 62 and 63 which contains this Report, document the Committee's work in relation to this Report.

LIBRARY OF PARLIAMENT
CANADA
BIBLIOTHÈQUE DU PARLEMENT

Published under authority of the Senate and the Speaker of the House of Commons by the Queen's Printer for Canada

Available from the Canadian Government Publishing Centre, Supply and Services Canada, Ottawa, Canada K1A 0S9

Publié en conformité de l'autorité du Sénat et du Président de la Chambre des communes par l'Imprimeur de la Reine pour le Canada

En vente: Centre d'édition du gouvernement du Canada, Approvisionnements et Services Canada, Ottawa, Canada K1A 0S9

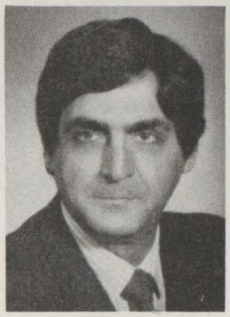
The Special Joint Committee on Canada's International Relations has the honour to present its

FINAL REPORT

In accordance with its Orders of Reference from the Senate dated June 27, 1985 and May 27, 1986, and from the House of Commons dated June 12, 1985 and May 27, 1986, your Committee has considered the issues discussed in the document entitled *Competitiveness and Security: Directions for Canada's International Relations* and has agreed to make the following report concerning the objectives and conduct of Canada's international relations.

Members of the
Special Joint Committee on Canada's International Relations

Tom Hockin, M.P.
JOINT CHAIRMAN
Progressive Conservative
London West (Ontario)



Jean-Maurice Simard, Senator
JOINT CHAIRMAN
Progressive Conservative
New Brunswick

Lloyd Axworthy, P.C., M.P.
Liberal
Winnipeg—Fort Garry (Manitoba)

Jim Caldwell, M.P.
Progressive Conservative
Essex-Kent (Ontario)

Jean Chrétien, P.C., M.P.
Liberal
Saint-Maurice (Quebec)

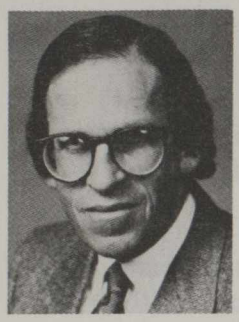
Patrick Crofton, M.P.
Progressive Conservative
Esquimalt—Saanich (B.C.)

Richard Doyle, Senator
Progressive Conservative
Ontario

Suzanne Duplessis, M.P.
Progressive Conservative
Louis-Hébert (Quebec)

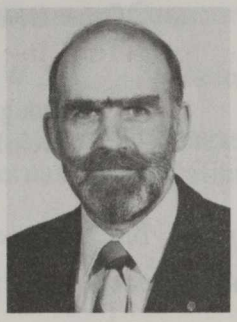
Jacques Flynn, P.C., Senator
Progressive Conservative
Québec

Philippe D. Gigantès, Senator
Liberal
Québec



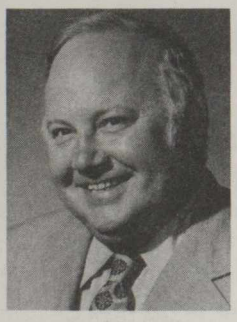
Jerahmiel S. Grafstein, Senator
Liberal
Ontario

André Harvey, M.P.
Progressive Conservative
Chicoutimi (Quebec)



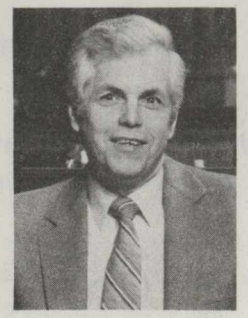
W.R. Bud Jardine, M.P.
Progressive Conservative
Northumberland—Miramichi (N.B.)

Pauline Jewett, M.P.
New Democrat
New Westminster—Coquitlam (B.C.)



Bill Kempling, M.P.
Progressive Conservative
Burlington (Ontario)

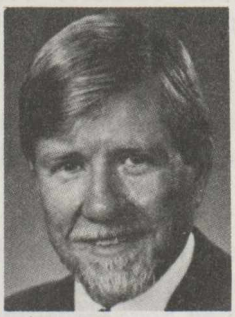
Steven W. Langdon, M.P.
New Democrat
Essex-Windsor (Ontario)



Jim Manly, M.P.
New Democrat
Cowichan—Malahat—The Islands (B.C.)

Bob Porter, M.P.
Progressive Conservative
Medicine Hat (Alberta)

Reginald Stackhouse, M.P.
Progressive Conservative
Scarborough West (Ontario)



Peter Stollery, Senator
Liberal
Ontario

Other Senators participating:

C. William Doody
Douglas D. Everett
Heath Macquarrie

Other Members of the House of Commons participating:

Bill Blaikie
Aurèle Gervais
Dan Heap
Ken James
John Parry
Clément Côté
John Reimer

Order of Reference from the House of Commons

Wednesday, June 12, 1985

ORDERED, — That a Special Joint Committee of the Senate and of the House of Commons be appointed to consider Canada's International Relations;

That the document entitled "Competitiveness and Security: Directions for Canada's International Relations", Tabled on May 14, 1985 (Sessional Paper No. 331-4/10), be referred to the Committee;

That the Committee consider and report upon the issues discussed in the above-mentioned document and make recommendations in their report concerning the objectives and conduct of Canada's International relations;

That the following 12 Members of the House of Commons to act on behalf of the House as members of the said Committee be: Messrs. Axworthy, Chrétien, Crofton, Mrs. Duplessis, Messrs. Harvey, Hockin, Jardine, Miss Jewett, Messrs. Kempling, Langdon, Porter and Stackhouse;

That the Committee have the power to sit during sittings and adjournments of the House;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from time to time as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the Committee have the power to adjourn from place to place inside Canada and that, when deemed necessary, the required staff accompany the Committee;

That a quorum of the Committee be seven members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever 4 members are present, so long as both Houses are represented;

That the Committee submit an interim report on Canada's participation in research on the Strategic Defence Initiative and on Bilateral Trade with the United States no later than August 23, 1985;

That notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table;

That the Committee present its final report no later than May 31, 1986; and

That a message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deems it advisable, members to act on the proposed Special Joint Committee.

ATTEST

The Clerk of the House of Commons

Order of Reference from the Senate

Thursday, June 27, 1985

ORDERED, — That a Message be sent to the House of Commons to inform that House that the Senate do unite with the House of Commons in the appointment of a Special Joint Committee to consider Canada's International Relations;

That the document entitled "Competitiveness and Security: Directions for Canada's International Relations", tabled in the Senate on May 15, 1985 (Sessional Paper No. 331-383), be referred to the Committee;

That the Committee consider and report upon the issues discussed in the above-mentioned document and make recommendations in their report concerning the objectives and conduct of Canada's international relations;

That five Members of the Senate, to be designated at a later date, act on behalf of the Senate as members of the said Committee;

That the Committee have the power to sit during sittings and adjournments of the Senate;

That the Committee have the power to report from time to time, to send for persons, papers and records, and to print such papers and evidence from time to time as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That the Committee have the power to adjourn from place to place inside Canada and that, when deemed necessary, the required staff accompany the Committee;

That a quorum of the Committee be seven members, whenever a vote, resolution or other decision is taken, so long as both Houses are represented and that the Joint Chairmen be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever 4 members are present, so long as both Houses are represented;

That the Committee submit an interim report on Canada's participation in research on the Strategic Defence Initiative and on Bilateral Trade with the United States no later than August 23, 1985;

That notwithstanding the usual practices of this House, if the Senate is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the Senate and that it shall thereupon be deemed to have been laid upon the Table; and

That the Committee present its final report no later than May 31, 1986.

ATTEST

The Clerk of the Senate

Tuesday, May 27, 1986

ORDERED, — That, notwithstanding the Order of the House made on Wednesday, June 12, 1985, the Special Joint Committee on Canada's International Relations be empowered to present its final report not later than Wednesday, June 25, 1986; and

That a message be sent to the Senate to request that the Senate unite with this House for the above purpose.

ATTEST

The Clerk of the House of Commons

Tuesday, 27th May, 1986

ORDERED, — That, notwithstanding the Order of the Senate adopted on Thursday, June 27, 1985, the Special Joint Committee on Canada's International Relations be empowered to present its final report no later than Wednesday, June 25, 1985; and

That a Message be sent to the House of Commons to acquaint that House that the Senate do unite with that House for the above purpose.

ATTEST

The Clerk of the Senate

1. The Special Joint Committee on Canada's International Relations held hearings in every province and territory. Here a witness makes a presentation in Vancouver.

2. Members Lloyd Axworthy (Lib.—Winnipeg-Fort Garry) and Senator Richard Doyle (Ontario) chat with Sunday School children from Fort Garry United Church in Winnipeg. The children made several presentations to the committee on issues raised by the Green Paper.

3. Quebec witness Claude Morin chats with co-chairmen Tom Hockin (PC—London West) and Senator Jean-Maurice Simard (New Brunswick) and members Suzanne Duplessis (PC—Louis Hébert) and Steven Langdon (NDP—Essex-Windsor).

4. Co-chairman Tom Hockin (PC—London West) explains a point at a news conference following the release of the committee's interim report. Members from left to right: Pauline Jewett (NDP—New Westminster-Coquitlam), Jacques Flynn (Québec), Tom Hockin, Hon. Lloyd Axworthy (Lib.—Winnipeg-Fort Garry).

5. Committee members: From top left to right, André Harvey (PC—Chicoutimi), Bob Porter (PC—Medicine Hat), Reginald Satckhouse (PC—Scarborough West), bottom left to right, Bud Jardine (PC—Northumberland-Miramichi), Bill Kempling (PC—Burlington), Patrick Crofton (PC—Esquimalt-Saanich).

CONTENTS

Acknowledgements

This report and the interim report that the committee presented on August 23, 1985 are the product of dedicated work, during an intensive 11-month period, of many Senators and Members of the House of Commons who participated in the work of the Special Joint Committee on Canada's International Relations. The Foreword to this report describes the committee's work program. It remains for us to express our thanks to the members of all parties and both Houses whose hard work and efforts to understand each other's point of view have made this a better document than it would otherwise have been.

The committee's task has been challenging. Apart from the vast scale of the undertaking, the process of reaching agreement on a common text required extensive debate among Members and a will to seek accommodations. This is never easy in the political environment of Parliament. Although Canada's international policies have enjoyed broad all-party support during the post-war years, there are some subjects where the political parties are committed to different positions. For this reason, trying to reach consensus has involved all Members in making compromises. On those few occasions when it has been impossible to find a common position and differences have been important, we have chosen to record and briefly describe our divergences.

The result is a document that truly represents a committee perspective; it does not reflect precisely the views of any one Member.

In addition to the hard work of the members of the committee, we would like to recognize and acknowledge the excellent service provided to the committee by its staff. The five Joint Clerks who served the committee for various lengths of time — Mr. Paul Belisle, Miss Paulette Nadeau and Miss Doreen Lebrun from the Senate; Miss Jean Macpherson and Mr. Donald Reid from the House of Commons — not only acted with professionalism and competence in all aspects of the committee's work, but worked extended hours week after week with good humour and without complaint. The office staff working with them through the life of the committee, and the professional and untiring research team assembled under Mr. Peter Dobell of the Parliamentary Centre to work with Study Director Dr. Gerald Wright and Mr. Bill Neil of the Library of Parliament, all contributed to the realization of the committee's report on its nearly year-long enterprise. To all of them, we express our appreciation. Nor would we wish to overlook the meticulous, prompt and proudly professional service rendered — often under very tight deadlines — by the team of translators assembled under Mr. Dominique Soudet of the Translation Service of the Secretary of State and by our editors, Kathryn Randle and Georges Royer, who strove with them to bring our report to articulate expression in both official languages.

We also express our deep gratitude to the many witnesses who appeared and those who wrote to us, who have followed the committee's deliberations with care and have continued to send us their views and to provide counsel.

The satisfaction we take at having reached the point of presenting this report to Parliament is augmented by our recognition of these contributions. We hope that our colleagues in Parliament, the government of Canada to whose attention we direct many of our recommendations, and the interested public by whose participation our thinking

has been aided, will find here the basis for further reflection on a vast subject that is of great and increasing importance to Canada in the years ahead.

In a fast-moving world, events continually create new situations that require changes in policy. Over time, specific comments and recommendations will inevitably be overtaken by new developments. Our report should be read with this caution in mind.

FOREWORD

The Work of the Committee

The Special Joint Committee on Canada's International Relations was established in June 1985 expressly to "make recommendations ... concerning the objectives and conduct of Canada's international relations". We were directed by Parliament to complete our report by May 31, 1986, a limit later extended to June 25. This was a huge task whose accomplishment required hard work and dedication by all the members of the committee.

The government first announced its intention to ask the Senate and the House of Commons to establish a special joint committee to consult the Canadian people on the full range of Canada's international relations in the speech from the throne opening the first session of the thirty-third parliament. Some six months later the Secretary of State for External Affairs took the next step and released the government's Green Paper, *Competitiveness and Security: Directions for Canada's International Relations*. On some issues the Green Paper stated positions, while on others it asked questions. In both cases, its function was to give focus to the proposed parliamentary review. In his foreword to the Green Paper, the Right Honourable Joe Clark made this clear with his description of the paper as an aid to the review and his encouragement to "all Canadians with an interest in the future of their country and the contributions Canada can make to a safer, more prosperous and humane world to come to the parliamentary hearings ... and make their views known".

The review of Canada's international relations that the Special Joint Committee conducted during the past ten months is wholly unprecedented in Canada and rare, if not unique, within the international community. The only comparable attempt by government was the preparation of *Foreign Policy for Canadians*, which was published in 1970 in six small booklets. While the scope of that exercise was similarily broad, it differed in two major respects: it was undertaken by the bureaucracy rather than by a parliamentary committee, and it lacked the vital element of public participation that has made the work of our committee both rewarding and unique. Never before in Canadian history has a committee of Parliament had the opportunity and the challenge to review the entire scope of Canada's external relations. Our inquiry was conducted in the full light of public scrutiny, and we deliberately solicited the widest possible range of Canadian views by holding hearings across the country and by inviting the public from every province and territory to give us their perceptions of Canadian foreign policy. Indeed, the entire Special Joint Committee process can be seen as an exercise in participatory democracy.

The work of the committee was divided into two phases. Our first task began on the day Parliament adjourned for the summer, June 28, 1985. Parliament had requested that we present an interim report by August 23 on two specific issues: whether to enter intensive discussions on comprehensive new trade arrangements with the United States and whether to accept the invitation of the United States to join in the research phase of the Strategic Defense Initiative (SDI). That part of the committee's work, undertaken during the summer and clearly with no time to lose, was duly completed by the date assigned—this despite a veritable flood of material requiring immediate consideration: almost 700 individuals and organizations filed written briefs, while well over 300 witnesses appeared at the public hearings held in Halifax, Ottawa, Montreal, Toronto, Vancouver, Calgary and Winnipeg.

In the autumn we began the second phase and the central part of our work—the broad review of Canada's international relations. Although our primary goal was the elaboration of a framework within which Canadian external policy should operate, we decided we should also be on the lookout for specific and concrete proposals for action that we could recommend.

In October advertisements were placed in 157 newspapers, both dailies and weeklies, in every part of Canada. They described the work program of the committee and invited submissions from Canadians by November 29. The submissions were a valuable source of information and ideas, and we continued to receive them even as we were drafting this report. By May 7, 1986 we had received communications from 287 organizations and 245 individuals. Every submission was read and its recommendations considered. Annex A, which appears at the end of Chapter 1, contains an analysis of the subject matter and geographical origin of these submissions.

While the public were preparing their submissions during the autumn, the committee organized a series of panel discussions with recognized experts on a variety of topics. The subjects we chose ranged from the influence of the media on foreign policy perceptions, through arms control issues and international debt problems, to Canadian foreign policy in the Arctic. This was the first time a Canadian parliamentary committee had systematically used this technique. In fact, we found it so effective as a means of highlighting differing perspectives and bringing out the options faced by Canada, that we decided to continue the practice when the committee travelled across Canada during the winter months. In each city where we held hearings, in addition to hearing witnesses invited from among those who had responded to our advertisements, we also arranged a panel discussion on a topic with special relevance to the region. For example, in Halifax we had a panel on ocean management issues, while in Edmonton the discussion was on international energy perspectives.

In January, the committee began to travel across the country. Every second week until the end of April we visited successively each province and territory. In addition to the panels, we heard briefs from organizations and individuals selected from among those who had made written submissions. The committee also left time at the end of each day's hearings for brief statements by concerned citizens who came to our meetings and wanted to be heard. In all, during the six months of our public meetings, we organized 30 panel discussions and heard 161 briefs from organizations or individuals and 131 short statements.

In an effort to encourage maximum public involvement, considerable attention was also paid to the news media before and during our visit to each community. Press conferences were organized and interviews arranged for members of the committee, and members of the media were encouraged to take time with the various witnesses who gave us their views.

With a subject so large, we had to make choices. We could not possibly have discussed, even superficially, the entire range of issues coming within our mandate. We have not dealt with enhanced trade negotiations with the United States or with the Strategic Defense Initiative because they were covered in our interim report. Knowing that the Standing Committee on External Affairs and International Trade was undertaking a major examination of official development assistance, we decided to concentrate on the broad thrust of Canadian development policy and suggest to the Standing Committee issues that we considered merited further study. Similarly, since a white paper on defence policy is in preparation, we limited our efforts to an overview of defence issues. Finally, we were not in a position to make a cost-benefit analysis of administrative practices. This would have required a detailed internal examination of the operations of the Department of External Affairs and the embassies abroad as well as of relations with other departments and agencies concerned with defence, foreign aid and immigration.

With limited time available—six months for public hearings—we decided to devote our time to listening to concerned citizens rather than government officials. Furthermore, our reference from Parliament did not authorize foreign travel. We were pleased that so many Canadians came forward and hope that our report reflects their views.

Although we did not examine the operations of the Department of External Affairs, the committee had some opportunity to consider the importance of having competent public officials capable of contributing to the wise formulation and efficient execution of Canadian foreign policy. We believe that Canada is well served by those that have chosen the career of representing the country abroad. We note that this career has become more dangerous on account of increasing instances of terrorism directed against diplomats. We were also impressed by the burden borne by families of officials serving abroad. Foreign language training, for example, should be made available in the same manner to both officials and their spouses, who also carry the responsibility of representing Canada. We also urge the government to give priority to negotiating reciprocal agreements with foreign governments, so that spouses who want to work abroad can do so. In this and similar ways, the government must recognize that a highly professional public service is a valuable national asset, strengthening Canada's hand in its international dealings.

Given the enormous diversity of issues that fell within the committee's mandate and the limited time available, we decided to concentrate on elaborating principles and goals for Canadian foreign policy. We have attempted to comment on many of the major concerns of our witnesses and have made specific proposals for action when we found them topical or when a particularly good idea was brought to our attention. But there was neither time nor space to take positions on every issue raised in testimony. Our approach has been broadly functional rather than regional. By its very nature, foreign policy must adapt constantly to shifting circumstances, and a foreign policy review that lays down specific directions in every area is simply not possible.

Our report was constructed with a view to making the most of limited resources. We could have recommended far more in the way of public expenditures, but we recognized that it would be unrealistic to depart from the financial constraints that bind the government. We did not, however, take the need for frugality as an excuse for inaction. Instead we looked for ways to render government activities more efficient. Several recommendations—that resource centres be established abroad to serve the emphasis on a particular region (Chapter 3), that there be closer federal-provincial co-operation in export development (Chapter 6), that there be a study of long-term

defence requirements to close the gap between Canada's commitments and its capabilities (Chapter 5)—reflect our desire to achieve greater efficiency. We have even sought to extend this principle into the multilateral arena by suggesting the streamlining of international institutions (Chapter 4) and advocating closer co-operation among aid donors (Chapter 7).

Our report takes the following form. We report on our soundings among the Canadian public in Chapter 1, How Canadians Approach Their Foreign Policy. We assess the capabilities and resources that Canadians bring to the pursuit of their international objectives in Chapter 2, Canada's Capabilities. Eight chapters with recommendations follow, each dealing with a major area of policy. The last chapter, The Case for Constructive Internationalism, sets out the positive thrust that we advocate for Canadian foreign policy.

The continuing work of assessing specific elements of Canada's external relations should and will be undertaken regularly in the future by Parliament's standing committees, which can now, for the first time, select the subject matter of their investigations. Indeed, in a number of instances we refer to the findings of several enquiries undertaken by committees of the Senate and the House of Commons. We found them useful, and our hearings persuaded us of the value of a more active role for Parliament. There must be continuous, not episodic, dialogue between governments, Parliament and the public. The occasional general reviews of foreign policy or of specialized areas within it are no substitute for such dialogue. The capacity of Parliament, and particularly parliamentary committees, to serve as a forum for dialogue should be enhanced significantly by the reforms introduced recently. It is now up to the committees of Parliament to demonstrate they can become a focus of ongoing policy debate and a valuable source of advice.

CHAPTER ONE

How Canadians Approach Their Foreign Policy

We want to begin this report by challenging the myth of Canadian insularity. Basing his comments on an international CBC survey of viewers, Mark Starowicz, producer of *The Journal* and a participant in the committee's panel on the media and foreign policy, told us: "Canadians are interested in international affairs. They are more interested in international affairs than most people in the world." (20:7*) Issues of war and peace, trade, development and human rights are no longer the exclusive preserve of a small elite: they engage the hearts and minds of Canadians.

The evidence is all around us, in the size and intensity of the disarmament debate, in the extraordinary response of Canadians to the Indo-Chinese boat people and to the African famine. Our experience on this committee revealed that the foreign policy constituency in our country is larger, better organized and far more active than ever before. Hundreds of Canadians took the time and trouble to make submissions to the committee. During our hearings across the country we were able to meet only a few of the many Canadians who wrote to us.

Why the growing interest? Part of the explanation lies in the changing experience of Canadians. They are better educated than their parents and travel far more. Thousands of Canadians have served overseas in the armed forces and as development workers. Business people now have well established international connections and commute around the globe. Canadian students abroad and foreign students in Canada have widened their own and others' horizons. Direct experience of this kind has been amplified enormously by the power of television to reach out into the world for images and place them before people in their homes. All of this has radically, if gradually, reduced the sense of remoteness that used to attach to international affairs. The world is now always on the threshold of our consciousness.

The multicultural character of Canada has also affected the foreign policy agenda. In the years since the Soviet occupation of Eastern Europe, unhappy developments in that part of the world have been of particular concern to Canadians of Eastern European origin who have pressed the government to support the reunification of

* Throughout the report, references to testimony are cited as follows: the number before the colon indicates the issue number of the *Minutes of Proceedings and Evidence* of the Committee. The number after the colon is the page number in that issue. Thus, 20:7 refers to page 7 of issue number 20. Where there is only one number cited, it refers to the page number in the witness's brief.

families and work for more freedom in those countries. New waves of immigration during the past 20 years from Asia, Africa and the Caribbean have led to the establishment in Canada of communities with deep personal concerns about problems in parts of the world that previous Canadian governments paid little attention to. These developments were reflected in testimony about the problems of Sikhs in India, Baha'is in Iran and Armenians in Turkey, and about the dispute between Sinhalese and Tamils in Sri Lanka. Though Canada has not had the colonial connections that have influenced many Western European countries, immigration has enlarged the perspective of Canadians and increased their awareness of the suffering of people in other countries.

At the same time growing interdependence has prompted a relentless internationalization of the national agenda. Fiscal and monetary policy may still be formulated by the Bank of Canada and the Department of Finance, but they have to adjust to what occurs on the floor of the recently estabished Chicago foreign exchange market. The oil trail that begins in Calgary's Petroleum Club now leads to the skyscrapers of Houston and the royal palaces of Saudi Arabia. And, no less, the moral imperative that draws people from church halls into the struggle against injustice in Canada leads them from there to concern for the peoples of Central America and South Africa.

As domestic affairs have been internationalized, foreign policy has been brought home and opened up for debate. Formerly private and corporate dealings have acquired a public and political character. The comfortable tradition that external affairs is the prerogative of the Crown (in Canada of ministers and mandarins) is now being rudely disturbed by the pressures of participatory democracy. Canadians are knocking on the door of this country's foreign policy with more than messages to deliver: they want in.

The combination of global awareness, interdependence and participation are transforming the very nature of foreign policy—and nowhere faster than in Canada. Our hearings made us aware of just how much international relations has ceased to be the preserve of government. For example, the attempts of two post-war governments to increase the proportion of Canadian exports going to markets other than the United States have been overtaken by the sales success achieved by Canadian businesses in the United States. Witness, too, the Canadian missionary teaching in Haïti whose decision to close down his school to protest government interference may have contributed to the fall of Jean-Claude Duvalier. Hundreds of voluntary organizations engaged in Third World development now constitute a community in partnership, sometimes uneasy partnership, with the Canadian International Development Agency. Their activities in scores of Third World countries have become part of the expression of Canada abroad.

The foreign policy agenda has always been shaped by influences and events occurring beyond national borders and over which governments often have little control. The new dimension is an active and concerned public, prodded by the mass media, that reacts to international events quite independently of government. The single most important illustration of this phenomenon is the extraordinary extent to which Canadians' perception of what Canada's foreign policy should be are penetrated and shaped by the foreign policy debate in the United States. Canadians spend a great deal of time watching and reacting to Americans in the world. The reasons for this are apparent. The United States is a superpower. As a major actor on the world stage and the leader of the Western Alliance, it is inevitably the focus of international attention. The open nature of the U.S. foreign policy debate, which comes to English-speaking Canadians as part of their evening entertainment, invites the vicarious participation of concerned next door neighbours.

The participation is more than vicarious. Some of the foreign policy demands directed at Ottawa are in fact demands directed through Ottawa at Washington. The intense interest of many Canadians in Central America, for example, transcends any direct role that Canada plays in the region. Much of the interest is in having the Canadian government openly, and directly, pressure the U.S. government to change its policies. The reluctance of successive Canadian governments to play this kind of role in Washington has been a source of considerable frustration for those Canadians especially concerned with Central America.

This unique focus on Washington stands out by comparison with how Canadians approach Moscow. Even though concern for the suffering of the Afghan people at the hands of Soviet troops is strongly felt, Canadians can not relate to the domestic Soviet debate, and the issue is treated strictly as a problem of external relations.

The committee devoted considerable attention to the role of the media in shaping the way Canadians think about international affairs. We arranged two panels devoted entirely to discussing this theme. The paradox revealed by the panels is that during the same period when the interest of Canadians in the external world grew dramatically, Canada became more dependent on foreign communications media. In this respect, Canada is no different from other countries not represented among the large media organizations now competing in the world communications market. More important, representatives of Canadian radio and television networks and newspapers told us they are a long way from possessing a satisfactory capacity for gathering foreign news. For example, not one Canadian television correspondent is based in Central and South America, Africa or the Middle East. With the growing cost of news gathering and satellite transmission, this situation is likely to deteriorate. To be sure, some Canadian media organizations deserve credit for maintaining foreign bureaux and for recent increases in the number of bureaux. Nevertheless, Canadians depend heavily on foreign news agencies for their foreign news. In consequence, they are treated to news and analysis viewed in a perspective different than would be the case were the reporters and analysts Canadian.

This is a problem of critical importance. The way Canadians and their government assess international developments and the way Canada acts in the world are at stake. We believe that our task is to focus public attention on the absence of a sufficient national capacity for foreign news gathering. Without such a capacity, Canadians cannot be expected to perceive clearly the international dimensions of their own interests. This leaves both the country and its citizens less effective on the international stage.

Heightened public interest has major implications for Canadian foreign policy. Over three-quarters of all the written submissions and letters we received from the public dealt with three broad concerns: human rights in South Africa and Central America, peace and arms control, and development assistance. (See Annex A at the end of this chapter.) Whatever the previously perceived national interest in these matters, the government must take careful note of such indications of intense and pervasive public interest because its effect is to place these concerns on the national agenda.

At the same time, we were surprised that we received only one brief devoted to Canadian relations with Western Europe, none relating to the Commonwealth or *La Francophonie*, and very few dealing with relations with South America, South Asia, China or Eastern Europe. When we asked specialists in each of these areas why we were receiving so little comment from them, their response was to express general satisfaction with the state of Canadian policy in their fields of interest. In the circumstances, they did not feel the need to put forward their opinions.

The absence of comment and criticism, therefore, should not be mistaken for indifference or dissatisfaction. Rather it is an indication that the policies on which we did not receive comment are widely supported or, at a minimum, do not arouse substantial concern among any segment of the population. Similarly, frequent comment and criticism directed at some areas of policy show that a considerable number of Canadians want a change of policy, but they do not demonstrate that the majority of Canadians want that policy to be changed. Such concern should, however, be interpreted by the government as cause for reflection.

In the age of participatory democracy, a government must know what the people are thinking. On some issues it is our impression that the public has become a major source of information and even policy guidance. In areas of external policy where we detected little public concern, the government may have to proceed without the benefit of much public input. But ultimately a foreign policy concocted in isolation in Ottawa poses inherent political risks.

Major Concerns of Canadians

The oral testimony and written briefs we received were as varied in outlook as Canadians themselves. Some were highly focused and pointed in their concerns, while others adopted a broad and reflective posture. We received some briefs that obviously represented a group consensus, carefully and slowly formulated after extensive discussions and compromise. Others just as clearly were spontaneous and highly personal reactions written and mailed within hours of seeing our advertisement. Some organizations with branches across the country seemed to have encouraged those branches to respond separately and even guided them on how to do so, while other groups co-ordinated their reply in a single national brief. Committee members were the object of one national postcard campaign on Central America. Written submissions varied in length from half-page handwritten letters to 40-page essays from the Interchurch Committee on Corporate Responsibility on South Africa or the Canadian Institute of Strategic Studies. Oral testimony encompassed everything from passionate five-minute statements to two-hour panel discussions. Rarely did all interventions reflect consensus; points of view were often in sharp contradiction with each other.

Our experience of travelling twice across Canada and holding hearings in all provinces and territories made us particularly aware of the extent to which issues of concern to Canadians have a regional or even a local dimension. During our hearings in Newfoundland we received complaints about low-level, high-speed training flights by military aircraft based at Goose Bay. The witnesses objected to the possibility that the base might become a NATO training facility, a development that others in the community supported strongly. Witnesses in Quebec expressed concern about plans by the U.S. Environmental Protection Agency to ban future imports of asbestos. Manitobans were alarmed about U.S. plans to build the Garrison Dam. Residents of Quebec and Manitoba shared a worry that the United States might decide to bury nuclear waste in areas close to the provinces' southern borders. Western Canadians were preoccupied with the collapse of world oil prices. In the Atlantic provinces a major concern during our hearings was whether the U.S. countervail duty on groundfish exports would be maintained. Residents of Yukon were paying considerable attention to their unsettled maritime boundary with Alaska, an interest they shared with British Columbians who have similar problems over their maritime boundaries with the states of Alaska and Washington. In the Northwest Territories a matter of widespread concern was the trend, especially strong in Europe, to embargo the importation of

certain animal furs, a development as threatening to the local economy as the earlier decision by the European Communities to embargo the sale of seal pup pelts—a step that earlier aroused intense reactions in Newfoundland and Prince Edward Island.

Following careful review and reflection on this large and varied public response, we identified five broad concerns that seem to underlie and characterize a high proportion of the testimony, briefs and letters.

A Pronounced Concern for International Security

In a disquieting world, almost all Canadians share a strong concern about international peace and security. They are worried about East-West relations, about nuclear weapons, about international terrorism, and about the other manifestations of bitterness and division that abound.

The policies of the superpowers are a major source of uncertainty. The accession to power of Mikhail Gorbachev gave some of our witnesses grounds for hope that positive changes may eventually occur in Soviet domestic and foreign policies, but military expenditures have not been curbed and it is only recently that signs have emerged of a possible settlement of the Afghanistan problem or a readiness to curb military expenditures. Even though Ronald Reagan suggested "deep cuts" in nuclear arsenals last year, many Canadians are uneasy about Mr. Reagan's foreign policies: SDI has revolutionized the strategic debate in ways that have created a good deal of trepidation, and President Reagan himself occasionally displays a readiness to use military power around the world in ways that are foreign to traditional Canadian conceptions of international behaviour. Recent events have increased the degree of unease felt by Canadians concerned about U.S. policies in such areas as Central America and the Middle East.

The message we heard is that many Canadians are growing increasingly concerned about the security of their own country, which is being affected directly by new developments in the world strategic balance. Canadian territory is no longer out of the limelight in the way it was a decade ago, when Canada's main military task on this continent was to guard against an aging and declining Soviet bomber force that seemed to have only marginal importance. In addition to precision-targeted SLBMs (submarine-launched ballistic missiles), new U.S. and Soviet long-range bombers and cruise missiles are under development and may soon lead to a great upsurge in the stocks of weapons that would be flown or fired across Canadian territory in the event of a major conflict. As a result, Canadians are having to reconsider the possible effects of missile attacks or nuclear fall-out on this country, to give renewed attention to proposals for counter-measures in the form of early-warning systems and anti-bomber and anti-cruise missile defences based on Canadian territory, and generally to think about strategic developments in the Arctic.

Many witnesses argued that the difficulties of Canada's strategic situation are likely to become increasingly acute if President Reagan's Strategic Defense Initiative moves forward successfully towards the deployment phase. As John Lamb, executive director of the Canadian Centre for Arms Control and Disarmament, remarked,

> Concrete developments in the strategic environment will increasingly press in on Canada... The change I am referring to, of course, is the re-emergence of Canadian territory as a key link in Western, and particularly American, strategic planning. (37:6)

Ballistic missile defences as envisaged by the SDI proposal would have to be complemented by effective air defence, he argued, and this would involve the use of Canadian territory. The House of Commons Standing Committee on External Affairs and National Defence reported on similar expressions of concern stated during its recent hearings on NORAD:

> The fear is that Canada will have to accommodate greatly increased air defences if effective ballistic missile defences are deployed and that Canada will be asked to deploy ground-based BMD systems on its territory because these weapons will only be effective if they can be placed closer to the Soviet Union than U.S. territory would allow. (*NORAD 1986*, p. 75)

Although concern about security is general, we were offered many views and ideas on the best ways of dealing with it. Broadly speaking, our witnesses reflected two schools of thought: one approach, representing the majority, favoured working through Canada's existing alliance relationships; the other group of witnesses distrusted Canada's present alliances and advocated a strong focus on peace and development.

Among the former group, several witnesses spoke in favour of an expanded defence effort—probably to twice the present level of expenditures—as a means of strengthening deterrence and enhancing Canada's voice in world affairs. George Bell, president of the Canadian Institute of Strategic Studies, argued that in addition to current commitments Canada should take on a much larger role in such activities as protecting sea lines of communication in the Pacific. Douglas Ross of the University of British Columbia recommended large increases in Canada's forces in Europe and consideration of a greater effort in air defence, though outside NORAD. The Council of Canadians favoured a stronger defence effort in both North America and Europe, so as to avert the need for a stronger U.S. presence in Canada while at the same time develop a higher profile in NATO and thus a better chance to pursue world peace and security in association with other middle powers.

Other testimony that generally favoured working through Canada's existing alliances placed more emphasis on the urgency of pursuing arms control and disarmament. These witnesses evidently believed that Canada should live up to defence commitments—as they are now or as they might be renegotiated with the allies—but felt that this should be combined with the active pursuit of peace. They favoured NATO, or at least accepted the likelihood of Canadian membership in it for the foreseeable future, but sometimes expressed concern about NORAD, especially if they believed that Canada's membership might lead to involvement in SDI.

Exponents of this kind of view ranged from former ambassadors and retired naval officers to academics, representatives of the Canadian Labour Congress, former United Nations officials, and some representatives of the peace movement, such as the Veterans for Nuclear Disarmament. The views of these witnesses, some of whom favoured the development of strong and autonomous Canadian positions on arms control, were part of the same broad stream as those put forward by two government representatives appearing before the committee, Stephen Lewis, Ambassador to the United Nations, and Douglas Roche, Ambassador for Disarmament.

The other school of thought to emerge from our hearings was more inclined towards withdrawing from alliance commitments. Some of these witnesses advocated unilateral disarmament. They expressed dismay and alarm at what they saw as a spiralling, uncontrolled arms race and the danger that nuclear war could lead to man's extinction. They tended to doubt the value of NATO, distrusted the United States, and called for a crusade to dismantle nuclear arsenals and shift world resources from

weapons to development. Dr. John Ross, of Physicians for Social Responsibility, argued in St. John's that nuclear war threatens human extinction and recommended that the world's wealth be shifted from armaments to development assistance. Some spoke simply as parents of children who were worried about their futures. Gwynne Dyer evidently shared many of these concerns; having argued on earlier occasions that we are now living in the Indian summer of human history and must change if humankind is to survive, he questioned the utility of continued Canadian participation in NORAD and NATO and argued that it might be better to adopt a neutral stance similar to that of Finland.

The points of view we heard were not clearly divided one from another, as was generally the case five years ago. For example, a surprising amount of opinion among peace activists was more sceptical about NATO than actively opposed to it, while the World Federalists were deeply committed to world order but not so keen on disarmament until new international structures had been put in place. The most striking feature of the whole body of testimony was not the divisions but rather the very widespread concern about the situation. Prescriptions varied depending on the approach of the witness, but the reaction was invariably activist and positive, never passive or defeatist.

The general sense of most of the testimony was that Canada should do everything possible to maintain its sovereignty and independence, despite pressures likely to result from development and deployment of new strategic weapons. A large proportion of witnesses asserted that Canada should remain outside SDI, even if this involved a crisis in relations with the United States. Many recognized the possible eventual link between NORAD and SDI but nonetheless felt that Canada should continue to participate in NORAD until SDI was actually deployed. However, many doubted that SDI would ever be deployed. Others worried about what would happen if the U.S. timetable were to be advanced, argued that the renewal of the NORAD agreement should have been limited to a two-year period, and also pressed for reinsertion of the ABM clause in that agreement. Canada should also remain in NATO, they thought, so as to preserve links with other middle powers and contribute to deterrence, and should work through NATO consultative mechanisms to push for renewed western efforts in the fields of arms control and disarmament. Canada should also strengthen its disarmament effort in the United Nations, the Conference on Disarmament in Geneva and elsewhere and do everything possible to promote worldwide stability. Canada should continue to do what it can to help mediate or resolve regional disputes, such as those in the Middle East, and to combat such plagues as international terrorism.

At the regional level, Canada has long experience with peacekeeping. A number of witnesses commented on this activity and recommended that Canada make an effort to provide training systems or military contingents in appropriate circumstances. Even though the role is not glamorous and rarely produces speedy and decisive results, peacekeeping was seen as an appropriate and constructive way for Canada to contribute to maintaining peace in the world.

In sum, most witnesses were asking that Canada live up to its international responsibilities and look for opportunities outside traditional alliances or similar frameworks to contribute imaginatively to solving disputes. Membership in NATO, *per se*, was not a major issue. People wanted to use that organization to best advantage, or at least avoid being sidetracked on the question as they advocated greater efforts to bolster international stability and bring about world peace and disarmament.

The State of the Economy

The world economy is at a crossroads was the message conveyed in much of the testimony on this theme. We were told that the transformation taking place in the world economy may turn out to be comparable to the Industrial Revolution of an earlier age. The traditional economic forces that shaped the post-war period are being modified or supplanted by new events and processes. In this new international economic environment, as Gerald Helleiner told the committee,

> The first priority for a country like Canada, so dependent on the stability and predictability of the international economic system, must surely be, overwhelmingly, the stability and order of the international system. This is not of course simply in the sphere of trade, but trade is now in any case inextricably interlinked with financial questions; with money and finance; the entire Bretton Woods system and its capacity to get us through the next recession or to get us through to the year 2000 without major breakdown. There can be no higher priority for Canadian foreign policy. (22:42-43)

The most notable feature of the last 25 years has been the growing interdependence of the world economy. This has important implications for Canada's foreign economic policies. There is no longer a distinct boundary between domestic policy and international policy. Witnesses suggested that the calculation of domestic objectives and priorities must be made with an eye to Canada's international obligations and the constraints imposed by the global economic environment. Domestic policies relating to taxes, agriculture, regional development or investment can have as large an impact on trade as tariffs or quotas. Moreover, attempts by other governments to deal with the external effects of domestic policies are often viewed as infringements of sovereignty and thus become quickly politicized. Witnesses cited the debate surrounding the National Energy Program and efforts to liberalize world trade in agricultural products as examples of this point.

A distinctive feature of the Green Paper on Canada's international relations is the importance it attaches to the competitiveness of the Canadian economy. Its title, *Competitiveness and Security: Directions for Canada's International Relations*, highlights this approach. Despite this emphasis, relatively few of the submissions volunteered by the public during the second phase of our deliberations addressed the state of the economy and its implications for Canada's international relations. During the first phase of the committee's work we received numerous briefs on the question of freer trade negotiations with the United States; some of the people who prepared them may have felt they had said all they had to say.

Most of those who did make submissions on trade policy and Canada's place in the international economy did not address other external issues. It was as if they regarded trade relations as something separate and distinct from foreign relations. Although a number of witnesses criticized the Green Paper for its failure to attach sufficient importance to the pursuit by Canada of responsible, active and idealistic external policies, others commended the integration of trade and external policy and asserted that the Green Paper is correct in attaching significance to the international competitiveness of the Canadian economy.

The witnesses and submissions that did deal with trade prospects and the state of the Canadian economy emphasized the extremely competitive nature of the world economy. The Business Council on National Issues identified as twin goals for Canada in the field of international economic policy "achieving improved competitiveness and a strengthened multilateral economic system." (44:5) But the Council went on to warn that

> improved access to foreign markets [and] a better functioning international trading system will be of little benefit to Canada if our industrial cost structures are significantly out of line with those of our principal industrial competitors. (44:6)

Even witnesses who pointed towards the opportunities in Japan and some countries on the Pacific, whose economies have been growing rapidly and generating a demand for imports, were careful to point out that other exporting countries were also competing vigorously for this business. Their main message was that the world has become a buyer's market, and success comes to those who are able to keep down prices, maintain quality and meet deadlines. Nevertheless, they did stress the importance of training Canadians in some of the major languages and cultures of the Pacific nations so that they could become more effective in selling Canadian products in those countries.

A number of submissions commented on the growth of protectionist forces in the world, a development they considered threatening because of Canada's heavy reliance on export markets. We were impressed, however, that during the second phase of our hearings no one proposed that Canada itself adopt a protectionist stance with regard to merchandise trade. On the contrary, those presenting views on the subject argued for vigorous efforts by Canada to promote a freer and more open multilateral trading system. This consistent approach appears to reflect a broad recognition that Canada represents too small a market to survive on its own and that Canada prospers during periods of expanding world trade. Witnesses frequently made a distinction, however, with respect to cultural goods, which were regarded as falling into a separate category. Even though Americans often cannot understand the distinction, witnesses felt that protection was justified as a way of preserving Canada's cultural identity.

Two current developments affecting world trade dramatized the extent to which Canada's prosperity is increasingly dependent on events beyond the country's control. The second phase of our hearings coincided with troubling developments abroad affecting two commodities of particular concern to Canada—oil and wheat. Prospects for these commodities were discussed at two panel sessions organized by the committee. The collapse of the OPEC cartel has led to a sharp fall in the world price for oil. This development may bring some benefits to Canadian consumers and manufacturers, but it is already beginning to have depressive effects on the economies of western oil- and gas-producing provinces and will slow the development of undersea oil and gas fields off the east coast of Canada. Equally serious for Canadian grain producers is the subsidization battle the United States has joined with the European Communities. The new U.S. farm bill passed by Congress in December 1985 is expected to drive down the world price of wheat below the cost of production for most Canadian farmers. Without government intervention Canada's share of the international wheat market may drop sharply, and the number of farm bankruptcies will increase.

The committee noted that a number of witnesses shared a general concern. Canada is entering an era when it will no longer be possible to rely on its natural resources to assure its prosperity. Throughout its history Canada has drawn on its abundant storehouse of natural resources for economic growth and employment. However, raw material producers in Canada are currently facing depressed prices because of excess global supply, weak demand and competition from other producers. In addition, many of Canada's resources are declining in quality and are increasingly costly to mine, cut or harvest. The optimism of the early 1970s, based on strong demand for commodities and the prospect of a steady series of mega-projects to open up vast storehouses of rich but inaccessible reserves, has passed.

Witnesses were generally aware of how rapidly Canada's trade with the United States has grown as a proportion of exports during the last two generations, from 31 per cent of exports in 1939 to 58 per cent in 1962 to 78 per cent in 1985. Most also recognized that this shift had occurred despite two unsuccessful efforts by governments to expand trade with one or other region of the world.

The reaction of witnesses to this situation varied sharply. For some, dependency on the U.S. market was a source of concern. Their prescriptions for diversifying trade ranged from renewed efforts to sell more Canadian products in other parts of the world to an appeal to develop an industrial strategy. Opposed to this view were those who accepted growth in the share of Canadian exports going to the United States as a natural development. It is part of a worldwide movement towards regional economic integration, they held, resulting from lower trade barriers combined with developments in the field of transportation and the possibilities for specialization that they have opened up. These witnesses considered that the government's efforts were correctly directed at finding ways to avoid being shut out of Canada's most important foreign market by protectionist forces in the United States and even to gain increased access to it.

Living Next to the United States

We received a good deal of evidence that Canadians, though they may differ on whether their country's involvement with the United States should be moderated or controlled, want to continue receiving the benefits of that relationship. Hyman Soloman told the committee, "...there is no option to the U.S. web. We are not going to disentangle ourselves and have no intention of disentangling ourselves." (28:17)

None of our witnesses showed the slightest fear of a U.S. attack on Canada, a frequent concern of smaller states in other parts of the world. Although experience leads Canadians to be wary of actions by the U.S. government to defend its interests, the testimony showed that Canadians like and admire Americans and expect and want to continue to co-operate and trade with them.

Nevertheless, repeatedly during the hearings witnesses commenting on a given policy area raised a related concern that Canada's independence would be jeopardized. Most of these witnesses were worried that U.S. influence of one kind or another would undermine the country's independence. This concern showed itself in several policy contexts.

U.S. questioning of Canada's claim to the Northwest Passage was a matter of special concern during our hearings, which followed soon after the voyage of the *Polar Sea*. No one suggested that the United States wanted the Passage for itself, but U.S. insistence that it was an international strait was regarded as a challenge to Canadian sovereignty.

Defence was another context where witnesses had concerns. It was generally agreed that the need to protect the deterrent force based in the United States from possible attack across the North Pole and over Canada caused a difficult situation. However, responses to this situation varied greatly. A number of witnesses considered that co-operation with the United States on northern air defence contributed to the defence of the Western Alliance, as well as putting Canada in a position to control and circumscribe U.S. activities over Canada's territory and, in particular, in the North. As the Working Group of the National Capital Branch of the Canadian Institute of

International Affairs (CIIA) warned, particularly with reference to "the strategically important Arctic, ...if Canada does not take such basic security measures itself, the United States will do so in its own way." (5) On the other hand, witnesses especially concerned about the danger of nuclear confrontation between the Soviet Union and the United States argued that Canada should withdraw from NORAD either to escape a possible conflict or to convey a message of disapproval to one or both of the superpowers.

Very few of the advocates of withdrawal from NORAD addressed the issue that Canada would then confront if it had to protect its sovereignty entirely from its own resources, namely the need to develop an all-Canadian warning and interception capability sufficient to satisfy U.S. concerns that its extended northern border—and the shortest route from the Soviet Union—was adequately defended from attack by air.

Other manifestations of concern for Canadian sovereignty focused on the trade dimension. Several witnesses took the position that increasing economic relationships with the United States might lead eventually to economic integration and ultimately to the political absorption of Canada, regardless of the outcome of enhanced trade negotiations. Other witnesses concentrated their observations on threats to Canadian culture. They were worried that U.S. cultural materials—television, radio, books and films—flooding across the border could eventually drown any manifestations of distinctive Canadian culture. To some degree balancing these gloomy perceptions was the more confident message conveyed by, among others, the CIIA working group: "In the last two decades Canada has achieved a new degree of unity, a sense of identity and self-confidence...". (2)

Promoting Human Rights and Development

Many witnesses called for a more significant human rights component in Canadian foreign policy. Several groups advocating this point of view, such as the Canadian Human Rights Foundation, criticized the passing reference to human rights in the Green Paper and proceeded to argue that

> human rights [should] be, and appear to be, one of the main principles and co-determinants of Canada foreign policy, if not also the soul and substance of that policy. (47:69)

A few submissions supported the appointment of one or more officers or groups within the federal government to promote human rights abroad. Others advocated review by a parliamentary committee of human rights performance abroad.

Much more frequently, however, witnesses with human rights concerns argued for specific Canadian policies with regard to South Africa and Central America. In both situations the primary justification for Canadian intervention was that the governments involved were systematically, consistently and grossly violating human rights. With regard to South Africa, a sizable minority of the submissions maintained that developments in South Africa were an internal affair and should be of no concern to Canada. Most submissions on Central America, by contrast, had common characteristics: criticism of U.S. policy in the region and advocacy of a larger role by the Canadian government including, frequently, opening an embassy in Nicaragua. A few witnesses expressed concern about the policies of the Nicaraguan government and its treatment of the Miskito Indians.

We were impressed by the growth in public support for a human rights dimension to Canadian foreign policy, a trend that is likely to persist. We see this evolution in public attitudes as part of a worldwide recognition that human rights are now a concern of the world community, symbolized most concretely by acceptance of the Helsinki Final Act at the Conference on Security and Co-operation in Europe in 1975. For Canadians an additional impetus has been the entrenchment in the Constitution of the *Charter of Rights and Freedoms.*

In discussions with witnesses and panelists, differences of opinion emerged over how best to promote respect for human rights in other countries. On South Africa there was wide support for a range of sanctions extending as far as breaking diplomatic relations and all trade and cultural contacts. Most advocates of sanctions directed at South Africa shared Professor Linda Freeman's opinion that "the best policy...is slow, co-ordinated pressure by the West, step-by-step pressure...of course, not on our own, but moving forward, not marking time". (24:14) A few witnesses expressed particular concern about the record of the Soviet Union on human rights, including the denial to Soviet Jews of the right to emigrate and the imprisonment of peace activists. More generally, a large number of witnesses wanted to see Canadian trade, investment and aid denied to countries that abuse the human rights of their citizens. In the words of Edward Ratushny of the University of Ottawa Law School, "I do not see how we can separate the conditional performance of recipient countries [in the matter of human rights] from their right to receive foreign aid." (25:40) A few witnesses placed greater emphasis on persuasion, noting that abuses of human rights may be exacerbated by poverty; moreover, national pride in the face of foreign criticism might cause a counter-reaction and actually have effects opposite to those intended. As John Holmes warned,

> You cannot simply order countries to behave. ...You have to cajole, persuade, do all sorts of things and quite often you have to try to save their faces. (25:45)

We were especially impressed by the number of witnesses expressing the heartfelt belief that Canada should act generously abroad to attack poverty and underdevelopment. The Saskatchewan Council for International Co-operation told us that "In...an interdependent world it is unrealistic to think Canada can be an oasis of prosperity in the impoverished world." (40:22-23)

We received a similar message in Halifax from the Interchurch Committee for World Development Education:

> Canada has had some success in mediation, negotiation and peacekeeping ventures. As a result, we have been able to approach other countries, in particular developing countries, with greater credibility. While not completely outside the East-West power breakdown, Canadians have promoted a North-South view of development and international relations. We should continue along this approach while we seek to help less fortunate people develop with pride in their own culture, human dignity in their internal politics and control over their own resources and economic development. (33:85)

Not surprisingly, the preferred area for this kind of activity was the broad field of development assistance. Many witnesses, moved by the deprivation and suffering of people in other countries and grateful for the relative prosperity and well-being of Canadians, were ready to contribute from this base to international efforts to help others.

Members of the Fort Garry United Church Sunday School in Winnipeg showed their concern with a presentation involving 15 young people and their teacher. Said Tracy Kozar,

> We have been learning about international aid. We are concerned that Canadian commercial interests, rather than Third World needs, are most important in Canada's aid program. Therefore we ask you that, first, you assign a high priority in our bilateral aid program to small-scale agriculture projects, which build the confidence, skills, and material resources needed to overcome hunger; (62:56-57)

Kristin Martin continued,

> That, second, you commit yourselves to gradual and steady steps to unite bilateral aid programs. Foreign aid should benefit those for whom it is intended, the poor of the Third World. (62:57)

A large number of briefs spoke in favour of a generous Canadian aid policy. Specifically, many witnesses called for the government to increase the amount of aid it is giving. Typical of these was the Social Action Commission of the Diocese of Charlottetown, which advocated "an increase in Canadian aid. We believe that the figure of 0.6% of our gross national product is too small." (32:41) There were references to the desirability of reaching the 0.7-per cent target sooner than is now proposed by the government. Among supporters of a more active Canadian role in international development, some placed primary emphasis on increased funding for the work of non-governmental organizations (NGOs) in Third World countries. These witnesses claimed that there were numerous benefits to citizen involvement. CUSO Saskatoon expressed this approach with particular clarity.

> In CUSO's experience, small-scale and local projects that are planned by the people who will use them are most effective in the long term....From our experience in working with NGOs, we know they have the ability and the experience to administer small projects. Small projects are one of the few ways that the poorest can be reached. Small projects are also less likely to create dependency relationships because of the small amounts of money involved. Further, because NGOs are community based, a better opportunity exists for the development of equal partnerships benefiting both Canadians and overseas groups. (40:32-34)

Apart from concerns that Canada's aid program be as generous as possible and directed to helping the poor, the committee saw evidence of a growing appreciation that relations between developed and developing countries are now at the centre of international economic management. Submissions on North-South issues emphasized the seriousness of the debt problems facing many Third World countries and the critical importance of dealing with them in such a way as to encourage their recovery and development. Increased access for Third World exports to markets in industrialized countries was seen as an essential requirement for the ultimate resolution of this critical situation.

A Responsible and Active Role for Canada

Canadians addressing the committee were rarely cynical or selfish. In spite of their concerns about international security, their attitude was optimistic. They exhibited a belief that international co-operation could lead to a better ordered and more equitable world. In pursuing this broad objective, they wanted Canada to work responsibly and actively, and they were ready in greater numbers than ever before to contribute to this goal.

Their prevailing approach to the world was idealism tempered by realism. Witnesses recognized that Soviet military force continues to dominate Eastern Europe

and three times in the post-war years—in Hungary, Czechoslovakia and Poland—has been used to stamp out local efforts to change their governments. They criticized the Soviet Union itself for failing to accord adequate respect to human rights as called for under the Helsinki Final Act. They deplored the continuing Soviet occupation of Afghanistan and the continuing violence and loss of life it has brought. They supported continued Canadian participation in the North Atlantic Alliance and the assignment of Canadian forces to NATO commands. At the same time, however, they argued strongly that the Canadian government should vigorously promote arms control in order to reduce the risk of nuclear conflict.

The sense of responsibility that underlay so much of the testimony represents the contemporary expression—in a much different strategic environment—of a persisting Canadian approach to the world, an approach that saw Canadian men and women volunteer in large numbers during two world wars to fight against tyranny. Canada emerged from the Second World War with a strengthened economy, increased self-assurance and a determination to contribute to the development of the political and economic structures that became the foundation of the post-war world. This generous and optimistic approach to the world has been encouraged by Canada's relative prosperity and the fact that the country is unlikely to be the primary object of attack.

Canadians we heard from were especially concerned to see that the United Nations exercised a larger and more effective role in the world. The Canadian Labour Congress told us that "the need for a strong United Nations system is as pronounced as ever." (36:15) Corrie Stepan, a Regina high school student, wrote that "it can only be beneficial for Canada to try and rebuild the UN." At a time when many other countries, including some of Canada's closest allies, have experienced a loss of faith in the United Nations, Canadians appear to continue to believe that the United Nations remains the best hope for a better organized, fairer and more secure world. Moreover, the message we received is that the Canadian government should be working to strengthen the effectiveness of the United Nations. Despite its deficiencies—and several witnesses acknowledged their existence and called for determined efforts to achieve reform—Canadians believe that the United Nations remains a necessary foundation for international order.

Another manifestation of this belief that Canadians should make a responsible contribution to limiting regional conflicts was support for continuing Canadian involvement in peacekeeping activities. It was understood that the role was not glamorous and that it rarely produced speedy and decisive results; nevertheless, peacekeeping was seen as a constructive and appropriate contribution and one in which Canadians could take considerable pride.

It was particularly noteworthy that the tone of the testimony rarely reflected an arrogant approach to other nations. Witnesses did not advocate the use of force against other countries even when they are not friendly. Nevertheless, they did argue strongly for international standards of human rights and they consistently demonstrated the simple human desire to help others, a response that came naturally to those who think of the world as an extended family.

This voluntarist desire to contribute personally to the well-being of others has been a persisting Canadian impulse. In the past, much of this effort was channelled through the Canadian churches, whose missionaries in their thousands cared for the sick and educated the young in Africa, Asia and Latin America. The testimony showed us that the desire to help others abroad is as strong as ever and the need greater than ever before. A Canadian government ignores these instincts and aspirations at its peril in the

conduct of foreign policy. To cut itself off from the voluntarist instinct of the population would be to lose significant potential for a more effective Canadian contribution in the world. The government must not ignore the concerns of its citizens, even as it must take account intelligently and imaginatively of the international constraints on Canada's role. It is to an examination of Canada's strengths and weaknesses in the international area that we now turn.

ANNEX A

Analysis of Submissions

The committee received communications from the public mainly in the form of briefs and letters. We have grouped the communications received in the second phase of the inquiry in two tables showing distribution according to province of origin and topic.

The topic breakdown is necessarily somewhat arbitrary. A number of briefs and letters dealt with several topics; in such instances we assigned them to the general category. No communication is recorded under more than one heading. This means that the number of briefs received on each topic is, in some cases, understated.

The topics are listed under broad themes that correspond to the chapters in our report.

Responses by Province and Territory

	Organizations	Individuals	Total
British Columbia	42	35	77
Alberta	11	22	33
Saskatchewan	12	17	29
Manitoba	10	13	23
Ontario (except Ottawa)	99	88	197
Ottawa	52	21	73
Quebec	28	28	56
New Brunswick	6	4	10
Nova Scotia	20	10	30
Prince Edward Island	1	2	3
Newfoundland	4	4	8
Yukon	0	1	1
Northwest Territories	3	0	3
TOTAL	287	245	532

Responses by Subject

	Subject	Organizations	Individuals	Total
A.	*General*			
	• General statement with no specific recommendations	7	27	34
	• Statements covering wide range of topics	44	34	78
B.	*International Order*			
	• United Nations	3	5	8
	• International law concerns	1	2	3
	• Environmental issues	5	1	6
C.	*Peace and Security*			
	• General	28	23	51
	• Disarmament	21	12	33
	• Comments on defence policy — general	1	3	4
	— increased defence expenditures	3	2	5
	— reduced defence expenditures	1	2	3
	• Peacekeeping	0	1	1
	• NATO	2	2	4
	• NORAD	6	2	8
D.	*Economic Relations*			
	• Competitiveness	7	4	11
	• Trade relationships	1	4	5
E.	*International Development*			
	• General	30	16	46
	• Role of non-governmental organizations	2	1	3
	• Development education	0	2	2
	• International students	22	0	22

	Subject	Organizations	Individuals	Total
F.	*Human Rights*			
	• General	6	8	14
	• USSR	4	1	5
	• Central America	31	26	57
	• South Africa — complicated problem	2	18	20
	— an internal matter	0	8	8
	— support for sanctions	11	7	18
	• Other specific problems, e.g., Tamils in Sri Lanka, Sikhs, Baha'is, Armenians	9	3	12
	• Propose ambassador for human rights	0	8	8
G.	*Regional focus*			
	• United States	1	6	7
	• Middle East — general	4	2	6
	— pro-Israel	2	0	2
	— pro-Palestinian	6	3	9
	• South America	1	1	2
	• Caribbean	1	0	1
	• Africa (except South Africa)	3	3	6
	• Pacific Rim	0	2	2
H.	Northern Questions	10	4	14
I.	Other	6	4	10

CHAPTER TWO

Canada's Capabilities

The picture of the international environment that emerged from the testimony is one of a complex, changing and unstable world. Gone are the relative certainties of the 1950s and 1960s, when the way ahead towards better East-West relations, decolonization and economic growth seemed predictable. It is even a long way from the early 1970s, with their hopes of detente and a new international economic order. The certitude and reassuring slogans of the past have been undermined, and witnesses showed uncertainty and uneasiness about the future.

Uneasiness with the existing state of international affairs and worry about relations among nations characterized the vision of a high proportion of the Canadians we heard. In certain areas the international fabric has become frayed and is threatening to unravel, and the spirit of internationalism is flagging. It might be premature to describe this state of affairs as a crisis, witnesses thought, but the contemporary world is at best more uncertain and at worst more dangerous than before.

In such a world, the constraints faced by a state of Canada's international standing were described by Kim Nossal in a recently published book, *The Politics of Canadian Foreign Policy*.

> All foreign policy-makers, even those who make foreign policy for the superpowers, operate in an environment that remains intractably beyond their control ... Foreign policy decision-makers, particularly those of small states, are destined to be forever reactive, responding to the rivalries of the dominant powers, ... to the persistent threat to systemic peace ... Most states without either the desire or the capacity to use the... tools of statecraft—force, non-violent sanctions, coercion—have to rely on persuasion—or diplomacy ... (pp.xi-xii)

To operate effectively in this difficult world, Canadians must assess carefully how far the country is capable of pursuing its interests and concerns abroad. That is why we thought it necessary to take stock realistically of Canada's capabilities. Self-knowledge can help avoid the temptation to embark on foolishly ambitious ventures or to succumb to an overdose of caution. Measuring national capabilities is an imprecise exercise, but it must be undertaken if Canadians are to grasp the possibilities and limits of their international role.

National power is made up of a large number of ingredients, including size of population, geographic factors, military might, economic strength, the national

endowment of resources, the effectiveness of governmental institutions, and the ability of people to agree on collective goals and work towards achieving them. We sensed some variation in the views of our witnesses about where Canada would rank in comparison with other states on an index of national power. We think it is safe to conclude that Canada comes far ahead of the vast majority and is a strong candidate for inclusion among the leading countries standing just below the level of superpower. In any case, the rank order of states does not matter so much as the extent to which Canada can make its own imprint on the world and how it should go about doing so.

The Determinants of Influence

Canada has the capacity as well as the inclination to work actively to promote international peace and well-being. Its national interest is best advanced by a positive approach to the world, and Canada can make a difference on many international issues. Other countries share this perception; as a result, Canada has been asked to sit in many international forums, ranging from multilateral arms control discussions to the Conference on International Economic Co-operation, grouping governments from the North and the South, and the annual economic summits of the seven leading powers of the industrialized world. Canada is thereby distinguished from all but a handful of states, a fact that is often obscured by the inevitable comparisons that are made with the enormous power of its southern neighbour.

Canada has a capacity to act purposefully when it chooses to do so. Its society is cohesive and its political institutions workable. The necessity of bringing along the provincial governments in respect of their areas of competence presents a problem, but one that until now, and despite some embarrassments, has proven manageable. The recent moderation of internal conflict has unquestionably made Canada a more effective international actor.

Canada's power varies depending on how it is measured. With limited military power, it does not occur to Canadians to support diplomacy by coercion. Nevertheless, its professional forces, combined with its economic potential and its increasingly important geographic location between the superpowers, are sufficient to enable it to be recognized as having a legitimate role in several areas of international security, including arms control.

It is the economic dimension of Canada's power that stands out. The country does not wield the economic clout of the United States, Japan or the European Communities, but it is able to generate a sufficient surplus of exportable goods and services to be a major international trading nation and aid-giver. In spite of some weaknesses, the Canadian economy is strong enough to pay for a large number of activities at home, including education, science and technology, social development, arts, leisure and sport, that tend of their own accord to generate international links.

Power is a term most appropriately applied to a country's major assets that provide the underpinning for its diplomacy. The currency of day-to-day dealings between governments is influence—the ability to change another government's opinions or actions. As the Secretary of State for External Affairs said in a recent address, "Power and influence are the two poles of a country's activities. The exercise of one depends on the presence of the other."

It is nevertheless true that, within limits, a powerful country can squander influence and a weak country can magnify it. Maximizing Canadian influence should,

in fact, be a continuing and vital objective for foreign policy. Canada has used three particularly noteworthy kinds of influence in international affairs in the past, usually with beneficial results, but there may still be unexploited potential.

Influence Based on Image and Reputation

Canadians are fortunate that the way they have been viewed abroad often works to their advantage. One witness, Peyton Lyon, lent substance to this point in reporting the results of 200 interviews conducted in 1982 at the United Nations with diplomats from over 100 delegations and members of the secretariat. Among developed countries, Canada was perceived within the United Nations to rank second only to Sweden in influence and ranked slightly ahead in respect. These findings reflect a reputation for professionalism and integrity and represent assets to be cultivated.

The Green Paper drew attention to a number of aspects of Canada's international record—its participation in peacekeeping forces, its advocacy of human rights, its unflagging support of the United Nations system—that have favourably influenced how the country is regarded abroad. What Canada's missionaries, military personnel, diplomats, business people and development assistance workers have accomplished in the world has also added to its reputation.

Canada is often called upon by the international community to play a moderating role. This is at least partly a consequence of historical circumstance and is no excuse for self-righteousness. Having achieved the fullest exercise of foreign policy independence only since the Second World War, the country is neither saddled with old rivalries nor the object of deeply ingrained resentments. In the post-war period, Canada has been able to keep both geographic and emotional distance between itself and a number of international disputes. Thus its efforts to cool off such disputes have enjoyed greater acceptability in the eyes of the protagonists, who often look on Canada as disinterested. There remains a substantial measure of confidence abroad that the country has no special axes to grind.

Some witnesses feared that Canada diminishes its usefulness by aligning itself with the United States and the other western democracies. Other witnesses, however, despite opposing specific U.S. policies, contended that a close relationship with the United States was a resource that gave Canada a greater capacity to influence U.S. policies. The majority of committee members considers that on the fundamental questions dividing East and West, Canada cannot be dispassionate, and the vast majority of Canadians would not want it to be. To adopt the stance of a non-aligned power, far from entrenching a reputation for moderation, would blur that reputation irreparably. Indeed, Canada's usefulness is greater in the eyes of many countries, including many of the non-aligned, because of its government's access to the decision-making councils of the Western Alliance and of the United States. As the Atlantic Council of Canada argued in its submission, "We are asked to join peacekeeping missions, not in spite of our NATO membership, but because we are an acceptable member of the Alliance." (7-8)

Influence Based on Expertise and Aptitude

Peyton Lyon advised the committee that Canada's official representatives abroad should "carry a bulging briefcase of bright ideas". (45:54) There are times when Canadian expertise allows for distinctive contributions. Apart from its usefulness, this

kind of contribution justifies more attention being paid to Canada's views, as well as Canadian participation in intergovernmental bodies. The fact that Canadian scientists and engineers were pioneers in the field of atomic energy, for example, provided Canada's ticket of admission to various multilateral bodies concerned with nuclear arms control. Today, the utility of Canadian expertise in arms verification could expand Canadian influence should this become the major sticking point in arms control negotiations between the superpowers.

In Canada's dealings with more powerful countries, depth of knowledge and competence in organizing facts can compensate, to a considerable extent, for lack of material resources. Canada cannot, however, afford to spread its intellectual and technical resources too thin. In deciding how to exploit this source of influence, the government must determine where to deploy its expertise so as to maximize the impact.

Building influence on the basis of expertise is not simply a matter for governments. There are opportunities for Canadians in many walks of life—private enterprise, science and technology, law, international development—to hone their skills and contribute to the pool of talent available for international activity. They should be given every encouragement to do so.

Influence Based on Political Commitments

A third form of influence derives from membership in a wide range of institutions and mechanisms set up to regulate activities that spill over national borders or to tackle international problems. At the very least, membership offers access to information and the chance to sway the thinking of other governments; in a not inconsiderable number of cases, it also provides a seat at tables where important decisions are made. An example raised by the National Capital Branch of the Canadian Institute of International Affairs is Canada's participation, through membership in NATO, in the Conference on Security and Co-operation in Europe. Along with the United States, Canada is the only non-European state to be included in this forum.

> These negotiations, involving as they do not only NATO and Warsaw Pact members, but also the non-aligned nations of Europe, afford Canada an important opportunity to influence developments in such matters as CBMs [confidence-building measures], scientific and cultural relations, freer movement of people and ideas, and human rights. (7-8)

The other side of such influence is obligation. In NATO, as the same submission also stated, "the perception of whether Canada is carrying its fair share of the burden is critical to the weight given Canada's voice". The same rule applies to Canada's other international commitments, though the nature of the obligation varies.

Some have argued that the influence gained through participation does not justify the loss of independence that may result and have used NATO to make their point. In their view, Canada should get out of the Alliance in order to make its own decisions. Others emphasize that NATO is by no means a straitjacket for Canadian policy. The contractual commitments contained in the North Atlantic Treaty are fairly general in nature and leave it up to national governments to decide what form of action they will take in the event of aggression against one of the members. Canada's membership in NATO does make concrete its moral obligation to its western partners, but again it is up to the government to decide how it intends to fulfil that obligation. Although the benefits of membership are considerable, we recognize that the government's decision

to accept certain obligations may run counter to other foreign policy objectives. Despite these difficulties, the majority of the committee considers that NATO is a remarkably effective instrument through which Canada can contribute to the conduct of deterrence at strategic and tactical levels, to arms control negotiations between the superpowers, and to the development of political relations between the East and the West.

The Need for Consultation

The influence Canada acquires by making commitments depends, of course, on the government correctly assessing the direction of private interests and concerns and not working at cross-purposes with individuals and organizations outside government. Denis Stairs reminded us of this danger:

> Within limits, for example, we can alter the distribution of our diplomatic missions abroad...We can construct framework agreements...We can reallocate our development assistance budgets, and so on. But it also happens that these instruments of foreign policy produce little result, it seems to me, unless they build on self-generating non-governmental relationships and processes which are already securely in place. It is tempting to call these conditions 'forces of history', but most of them are probably forces of economics. In any case, they are extremely powerful. (30:13)

John Halstead, a retired senior diplomat, illustrated the point by referring to the signing of the contractual link with the European Communities in the mid-1970s, which came to naught because it was not backed by private sector actions. In our view, this experience proves the case for close consultation with concerned members of the public in developing Canada's foreign policy.

Influence is Variable

Canada's influence varies with the resources it brings to bear. Because the country is not a major force in international finance, a Canadian government is not in a good position to influence, for example, agreements between the major powers about exchange rates or the co-ordination of economic policies. The decision not to possess nuclear weapons affects the hearing Canada gets in NATO's Nuclear Planning Group.

On other issues, by contrast, Canada does indeed exert a very considerable influence. It is evident that Canada's capability depends on the specific situation. Power is not readily transferable from one field to another. This point was well put by Denis Stairs during the panel discussion on this issue:

> ...power in these matters varies enormously from one type of issue to the next....For example, in matters having to deal with food production and distribution, around the world, obviously we are a great power in that field. We are a very substantial power in areas like aviation and technology of communications ...(30:25)

Just as influence varies from one field of activity to another, so it varies regionally. In the Caribbean, Canada is a major actor, with a combination of historical trade links, a large aid program, geographical proximity, and a modest naval capability. Canada has potential influence in *La Francophonie* as an industrialized nation with a large development assistance program and the possibility of acting as a counterweight to France. But in other disputes, for example between Chad and Libya, Morocco and Algeria or Vietnam and Kampuchea, Canada's means of contributing are very limited.

Many witnesses clearly believe that competent and energetic diplomacy, coupled with the leverage provided by development assistance and peacekeeping expertise, qualify Canada for a role in helping to settle regional disputes in all parts of the world. John Sigler, for example, another panelist, termed the argument that Canada has only limited resources for such activity "a formula for retreat which, if followed by others, would mean inevitable disaster." (30:6) For our part, because the country's resources are limited and it clearly counts for more in some regions than in others, we think it is important to have a clear understanding of what Canada's assets are in each particular case. We do not believe that it is sensible to ignore Canada's limitations in regard to resources, personnel and the other attributes of power. The government should carefully assess both the force engaged in any specific conflict and Canada's capacities to contribute to its resolution. Otherwise, Canada risks squandering one of the principal attributes it brings to the settlement of international disputes—its credibility.

The Case for Multilateralism

Depending on the circumstances, it is appropriate for Canada to act unilaterally, bilaterally or multilaterally. In most major international pursuits, however, Canada's influence will be greatest when it works together with other countries. The necessity of co-operating with others holds true in every sphere of important international activity. Canada needs allies, both military and economic. For major challenges like preserving collective security and turning back threats to the international system of trade and payments on which its economic health depends, Canada has no alternative to working with other countries.

This view of factors that determine Canada's influence abroad leads us to the broad conclusion that **Canada has considerable capabilities enabling it to sustain a substantial involvement in international affairs and shoulder a considerable degree of responsibility for finding solutions to many international problems.** Naturally, the capability Canada brings to bear varies greatly, depending on the issue at hand. **In most international pursuits, Canada can maximize its impact and make the best use of its resources by working in concert with other countries. Canada is, however, strong enough to act on its own in some instances and to be able to exercise leadership in the formation of coalitions. Because the country's means are limited, the government must assess Canada's capacity to make an effective contribution in each situation and concentrate its efforts on situations where it can be most helpful—instead of dissipating its resources by spreading them too thin in areas where it cannot expect to be as useful.**

CHAPTER THREE

Foreign Policy Goals

Just as capabilities determine what a country can do abroad, goals are necessary to facilitate choices in foreign policy. Though often stated in fairly general terms, they do provide a basis for comparing various courses of action and deciding between them. They are also needed to maintain consistency in policy. There are so many internal and external pressures on governments at all times that it is easy to lose sight of the national interest in responding to them. Moreover, at a time when mobilizing popular support behind what a government wants to do has become more necessary and more difficult, it is imperative to formulate goals so as to be able to communicate them to interest groups and to the public.

Foreign Policy for Canadians, which was issued in 1970, set out six policy themes:

- fostering economic growth
- safeguarding sovereignty and independence
- working for peace and security
- promoting social justice
- enhancing the quality of life
- assuring a harmonious natural environment

Fifteen years later, the Green Paper identified six basic objectives that bore a close similarity to those themes:

- unity
- sovereignty and independence
- peace and security
- justice and democracy
- economic prosperity
- the integrity of our natural environment

Taken together and defined in contemporary terms, these objectives make up a framework that, in our opinion, gives Canada's foreign policy a sense of direction and a measure of continuity.

We have had to keep in mind, of course, that these goals are not at all mutually exclusive and that there will be times when the government will have to trade off one against the other. Moreover, the identification of a Canadian interest does not mean that immediate action can or should be taken to secure it. That will depend on how the government matches Canada's capabilities with the objectives to which it gives highest priority.

What strikes us most forcibly about these foreign policy goals is that each has an important international dimension. It is not simply a question of maintaining consistency between what Canada wants abroad and what it wants at home. How the international community evolves will have a direct effect on what Canada has to do to safeguard its national interests.

National Unity

National unity has a grip on the souls of Canadians that goes beyond rational calculation. It stands at the head of Canada's objectives as the *sine qua non* for all the other collective goals that Canadians may decide to pursue. Canadians recognize, of course, that whether they can retain the ability and will to pull together is largely up to themselves. Since the world acts as a mirror for Canadians, however, they have recently been directing foreign policy to the achievement of national unity.

We enthusiastically reaffirm the importance of external policies that reflect Canada's bilingual and bicultural character. Canada has to be able to present an image abroad that Canadians recognize as their own. It must also offer an outlet for the interests and energies of Canadians from the country's two founding peoples. As a secondary but nevertheless important concern, the Canadian government should also look for ways to express Canada's multicultural make-up on the international scene. We should emphasize, however, that it is definitely not in the national interest to allow ethnic communities to draw Canada into taking sides on rivalries and disputes in their countries of origin.

Canada's bilingual and multicultural heritage represents an asset, offering a capacity to relate naturally and with understanding to almost every country of the world. It can be especially valuable in developing trade links. At the same time it opens the country to attempts from abroad to promote mischief. Canada must be wary of foreign governments that may be tempted for one reason or another to take steps that could damage Canada's national cohesion.

Provincial governments work on behalf of the regional interests and aspirations of Canadians, and it is certainly in the national interest that they play an important part in Canada's foreign relations. Representing provincial interests abroad without allowing Canadian foreign policy to degenerate into a babble of different voices presents a considerable challenge to political leadership. Dr. J. Peter Meekison, former Deputy Minister of Intergovernmental Affairs in Alberta, expressed a high degree of confidence that this could, in fact, be accomplished. "From my perspective, Canada can only have one foreign policy. But in many instances it can be enhanced by provincial input and participation." (38:112)

Even if Canadians can work out solutions to constitutional challenges at home, it may be difficult to convey to governments of countries with different political systems the need to be understanding and even sympathetic towards a federal state that behaves in international affairs not quite like any other.

Sovereignty and Independence

We could not help but notice that the term 'sovereignty' arouses considerable emotion. As for independence, Loring Christie, one of the early scholars of Canadian foreign policy, called it "strange to our ears, smoking of a past age" at a time when interdependence had not progressed remotely as far as it has today. How can these two concepts serve as goals of foreign policy?

The idea of sovereignty is that there is a final and absolute authority in the community. The concept belongs to international law, and the possession of sovereignty is properly determined by a court. Independence is most usefully defined as freedom of action. Though Canada does not always get what it wants, meaning that its independence is constrained, this normally has no effect on its sovereignty. A Canadian foreign policy maker must be mindful, however, of the possibility of a challenge to the state's authority, for example, by another country denying Canada's right to impose regulations on vessels plying its inland waters. Hence there is a need to exercise sovereignty from time to time so that the claim can be sustained in court if necessary. How the government should assert Canada's sovereignty in the Arctic is discussed in Chapter 10.

A Canadian government must pursue independence within a context of considerable interdependence. A high proportion of this interdependence has been accepted freely by Canadians and confers undoubted benefits on them. Foreign investment, for example, which we consider in Chapter 6, has been welcomed by many as a source of jobs. At the same time, Canadian governments are perennially involved in delicately balancing the benefits of interdependence with the value they place on such expressions of independence as control of the energy sector or an indigenous book publishing industry.

Canadians of every generation must, in their turn, similarly engage in balancing independence with interdependence. The circumstances confronting the present generation differ, however, from those faced by their predecessors. On one hand, the revolution in communications technology is rendering Canada more vulnerable to foreign, particularly American, culture. On the other hand, Canadians are demonstrating a greater determination than ever before to preserve their cultural distinctiveness and with it a substantial measure of national independence. These conflicting pulls make more difficult the skilful management of Canada's relations with the United States, a subject we explore in Chapter 9.

Though the maintenance of Canada's sovereignty rests primarily in its own hands, that sovereignty is validated by the respect shown it by other countries. Canadian independence, too, must be demonstrated to the international community. Yet Canada needs the rest of the world in order to be able to exercise its freedom of action. The importance of international links is all the greater when it comes to preserving a society and culture distinct from those of the United States.

Peace and Security

The close connection between Canada's security and the prevention of conflict between East and West, particularly the prevention of nuclear war, is uncontested. We see practically no point in thinking of national security as distinct from international security. We start from the assumption that the threat to Canada is one and the same with the threat to international stability and peace. As Douglas Roche, Canada's Ambassador for Disarmament, told the committee, building the conditions for peace in the world "is absolutely essential in the self-interest of Canada, in terms of our security ...". (36:7)

Although there is little disagreement on the objective, the choice of means to promote it produces some cleavage. Most accept the basic proposition that in a nuclear world, international stability and peace are best preserved by deterrence. Many argue, however, that the enormous build-up of nuclear weapons goes far beyond the real needs of deterrence. They want Canada to impress more forcefully upon both superpowers the absolute necessity of reaching agreements for the massive reduction of nuclear weapons and for an immediate comprehensive ban on nuclear testing, to mention only two examples. Some would argue that Canada can do this most effectively outside all military alliances. Others, who are in the majority, want Canada to remain in its alliances, arguing that if security is to be enduring, it should encompass an active defence of democratic values held in common with other western nations. They feel, however, that membership in the Western Alliance should not prevent Canada from taking independent initiatives to strengthen the safety and security of the world.

Regional conflicts, physically remote from Canada's shores, present another problem. We do not believe that Canada's interest is engaged as directly here as at the global level. There is always a danger of regional strife triggering a wider conflict. Canada should also want to see the suffocation of international terrorism, which is frequently spawned by regional disputes. Canada's interest in peace and security therefore leads to an emphasis on containing and, if possible, settling disputes peacefully and on a much wider scope for the rule of law. In Chapter 5 we set out the general directions Canada should follow to achieve these ends.

Justice and Democracy

One witness, Edward Ratushny, said of human rights, "How can they not form a part of our foreign policy? They are part of the total context, part of the reality and they cannot be carved off and ignored in some way." (25:37) Canadians have been accustomed to recognizing a moral link between the preservation of human rights and democratic values at home and their preservation abroad. This link is now becoming a political one as well. This is partly because of pressure from within the country—witness the number of Canadians who championed the cause of Anatoly Sharansky. At the same time, the international community is equipping itself with a battery of standards, such as those contained in the Helsinki Final Act, that it can apply to the condition of human rights in a particular state. Moreover, the basis of the claim that this constitutes undue interference in a state's internal affairs is crumbling rapidly.

We were profoundly impressed by the internationalization of human rights, a trend that will affect Canada as well as the rest of the world. Given the speed of modern communications, the moral issues being fought out in places far away have an almost immediate impact on Canadians' own values. Moreover, Canada has already come

under the gaze of international human rights agencies, and there is every reason to expect that international standards will play a part in the redefinition of human rights and democratic liberties at home as well as abroad. These issues are dealt with in Chapter 8.

Economic Prosperity

Economic prosperity is in the national interest, not only as an end in itself, but because without it a large number of other national goals could never be achieved. Chapter 6 sets out our view of what Canada can do to increase its prosperity through international trade. We were impressed once again with the extent to which Canada's prosperity is dependent on the international economy. As an international trader, investor, and recipient of investment capital, Canada must be exceedingly sensitive to the economic and financial health of other nations.

The international debt crisis has made Canadians realize the extent of their interdependence with African, Asian and Latin American countries of the developing world. John Halstead emphasized this point:

> Canada has an interest in contributing to the economic and social development and thus to the political stability of these regions. This is not only a moral imperative, given the human misery involved, but also a piece of enlightened self-interest, given the fact that prosperity and security in one part of the world cannot be bought at the expense of massive indebtedness and instability in other parts. (30:11)

We would go further to say that the economic crisis in the Third World should be viewed not as a problem of the poorer countries but as a global problem. It is a problem that links international debts with the banking system, exchange rates, trade, the upsurge of protectionism, and prospects for employment at home. The manner in which all these influence one another, often with dramatic suddenness, adds considerably to the uncertainty of the international economy. Governments are constrained in what they want to do, and international institutions are unable to cope with instability. In endeavouring to assure economic prosperity, Canada and the world confront a partial disintegration of the international financial order. Our views on this subject are outlined in Chapter 7.

The Natural Environment

Environmentalism begins at home. In the past two decades Canadians have learned to place a high value on preserving nature, on conserving natural resources, on clean air and clean water. The reason the environmental movement has made such inroads is that almost every citizen wants to make his or her own surroundings as liveable and attractive and healthy as possible. When these surroundings are threatened, the problem usually, though not always, has a local origin. The aspiration to safeguard and improve the environment normally starts as a parochial one.

There is, however, an obvious international dimension to Canada's environmental interests in the border it shares with the United States. Bilateral co-operation in the environmental field is literally forced upon Canada and the United States by the cross-border transport of the airborne pollutants that cause acid rain, the flow of water across the boundary, and the need to regulate industrial developments in one country that will affect the other.

We were reminded, moreover, by David Munro of the Canadian Wildlife Federation that the conservation of the natural resources of the world is closely related to Canada's interest in international development. Economic development must be sustainable. Resources have to be exploited rationally with due regard for maintaining essential ecological processes and life-support systems. Otherwise, economic development will assuredly grind to a halt when the available resources have been consumed. The degradation of resources, such as has occurred recently in the Sahel, is closely bound up with the spread of poverty and disease and even with regional instability. As Dr. Munro put it,

> ... the linking of conservation and development is really essential to the well-being of all peoples of the world. In fact, if a better balance, a better linkage, between conservation and development is not achieved, there will be [more] serious problems than there are now. (42:58)

Again, we were impressed by how a problem that was once conceived in local or regional terms must be regarded as global. Towards the end of our deliberations, the way in which the interests of every nation and individual are bound up with environmental issues was driven home forcefully by the nuclear disaster at Chernobyl in the Soviet Union and the resulting worldwide airborne radiation. Our recommendations for a Canadian response to the problems raised by Chernobyl are found in Chapter 4.

The Committee's Perspective

Canada's approach to specific international problems and regions is affected by the goals the country chooses to pursue. Although goals do not in themselves establish priorities among specific policy options, they do establish a basis for determining the orientation of policy. Policy must also be related to capabilities, however, as well as to problems that arise or opportunities that present themselves.

For example, **the countries of the Pacific region and Southeast Asia have evolved rapidly over the last two decades, and they represent, after the United States, Canada's fastest growing export market. Canada's interests in expanding trade justify increased emphasis on trade promotion in this market. When it comes to security considerations, however, Canada's military resources are insufficient to consider a direct contribution to maintaining security in that region. Europe, by contrast, remains the main focus of East-West confrontation, and Canada continues to make a significant military contribution in Central Europe. While trade has grown less than with the countries across the Pacific, Europe remains a substantial market for a variety of Canadian exports. The Third World, Africa in particular, is the focus for Canada's development assistance activities, but compared to the industrialized countries, it provides as yet a small outlet for Canadian trade. South Africa used to be an important outlet for Canadian goods but is now a focus for the goal of social justice. The Middle East for a number of years offered exceptional opportunities to those who, unlike Canada, were well placed to export, as well as representing an area of tension and often of conflict, with Canada's contribution to regional security being mainly to provide peacekeeping forces.**

In the following chapters we set out seven major directions that we believe Canadian foreign policy should follow. Our aim has been to identify the important tasks that need to be performed. For the most part, this meant taking a functional approach. We did, however, address Canada's relations with two geographic regions: the United States because it is such a pre-eminent focus of Canada's international

activity, and the Arctic, because we concluded that that dimension of Canadian external policy had been neglected in the past and is emerging inescapably as a focus of the future.

Though we do not focus primarily on Canadian policy towards various regions of the world, we are firmly in favour of detailed country and regional strategies. Canada's resources are too limited to permit ad hoc initiatives that do not fit into an overall plan. Canadian trade and investment activities, cultural, scientific and academic relations, and even ministerial visits abroad, have to be governed by a set of strategic objectives.

The Department of External Affairs must adjust its missions abroad constantly to take account of shifts in world markets and changes in Canada's external interests, so as to avoid duplication and unnecessary expenditures. There is currently an extensive country planning process within the Department of External Affairs, and the committee was informed of decisions to open four new trade offices in Asia and of an interesting plan to attach investment counsellors to Canadian embassies in major financial centres. This is encouraging evidence that the country planning process is now working well.

We acknowledge that this process is never easy; there is always the danger of bureaucratic inertia. Accordingly, the committee considered the possibility of reducing the number of missions in Africa so as to make resources available to open more trade offices in the Asia-Pacific region at no additional cost. In discussions among ourselves we came to appreciate that doing this would have disadvantages: at a time when we think Canada should be trying to expand its relations with the countries of *La Francophonie* and maintain those with the Commonwealth, a decision to close an embassy in an African country that was a member of either organization would be perceived unfavourably and undermine those efforts. Then we considered whether to propose replacing an embassy with a 'development office', a concept we recommend in Chapter 7. We decided that such a change would still be perceived unfavourably, would save little money, if any, and would increase the risks faced by Canada's foreign service officers abroad, who would no longer have diplomatic immunity. Moreover, if it were decided to assign trade promotion responsibilities to the development office, Canadian officials would be at a disadvantage in carrying out this task in a protocol-conscious country.

This exercise made us aware of the difficulties presented by closing an embassy. An alternative approach that avoids some of these disadvantages would be for the Department of External Affairs to try to economize by establishing larger regional missions to provide co-ordination and support functions. This would make it possible to reduce the staffs of several missions, which could still be reinforced if necessary by personnel from adjacent posts. Bringing reinforcements from nearby posts instead of from Ottawa would be faster and less costly, and the personnel involved could be expected to be informed on local conditions. **We recommend that the Department of External Affairs consider adopting the concept of regional resource and service centres to serve diplomatic posts within specific geographic areas.**

To ensure that the country planning process does not become routine and stifled by bureaucratic resistance, **we propose that the government, particularly through the Cabinet Committee on External Affairs, and Parliament, through the House of Commons Standing Committee on External Affairs and International Trade, keep the country planning process under regular review. We think it is particularly important that the views and co-operation of provincial governments and the business, NGO and academic communities be solicited in the formulation and review of strategic objectives.**

CHAPTER FOUR

Strengthening International Order: Amplifying Canada's Influence

International co-operation is the most important phenomenon of the post-war world. Realism in the late twentieth century requires strengthening the international order as the most effective way to deal with problems that transcend national jurisdictions. This process—the gradual accretion of international institutions, collaborative arrangements and régimes—has been under way for some time. The phenomenal cross-fertilization of culture and ideas stimulated by the communications revolution has been abetted by the increasing globalization of issues, whether they be demographic patterns or questions of nuclear safety, drug trafficking or the supply of energy. Although dissension has not abated noticeably and conflict dominates the headlines, the response by governments to these post-war trends has been a degree of international co-operation unimaginable in previous eras.

Moreover, after 40 years of experimentation, the practical results of international co-operation have been encouraging. The eradication of smallpox and the control of other communicable diseases, the adoption of standards for international air travel, the allocation of telecommunications frequencies, disaster relief efforts, even the international exchange of information about the weather, are among the innumerable benefits wrought by international agreements. Only by continuing to pool their efforts and resolve their differences will nations be able to come to grips with the manifold problems besetting contemporary society. Yet despite these self-evident truths, there are increasing signs that the international order is suffering from neglect and is in urgent need of repair. Canada's capacity for mediation and consensus building within the international community is more needed than ever before.

Canadians feel very much at home in the area of international co-operation. Here is where Canada's traditions, efforts, and experience reside. Here is where Canadian opinion, insofar as our committee was able to survey it, first inclines. And here is where, as a middle power, Canada's national interest inevitably leads. Peyton Lyon of Carleton University observed, "Clearly Canada is not considered a heavy in the summit league. In the Commonwealth and many UN committees ... the story is different; Canada is a heavy". (5-6) Indeed, one of the ways that Canadians define themselves in the world community is by their commitment to an international ideal that is at once pragmatic and altruistic—in short, to international co-operation.

Canada's commitment to international co-operation leads directly to its support of multilateral organizations. As Denis Stairs observed, they offer "a means of amplifying

our influence and expanding our diplomatic room for manoeuvre." Second, vigorous participation permits Canadians "to play a useful role in the maintenance of a peaceful as well as a constructive international order." (30:15) The committee heartily endorses these observations. We seek the continuity of Canadian foreign policy in this respect, not as an end in itself, but precisely because Canadians can take pride in building on an impressive foundation.

The United Nations offers cogent illustration of the utility of international organizations and the need for renewed action. Apart from the achievements of the various specialized agencies in organizing practical co-operation in support of nation states, the neutral ground that the United Nations offers may be critical in times of dangerous confrontation, as it was during the Cuban missile crisis, making it possible for the superpowers to back down and find accommodation. For these reasons, Canadians have always been among the strongest supporters of an active and dynamic United Nations. Nothing the committee heard during our proceedings leads us to believe that they have changed their minds. In virtually every instance where the issue was raised, the government was urged to pledge anew its commitment to the United Nations system and, if possible, to champion it even more dramatically.

Yet the United Nations no longer generates the hopes and praise characteristic of its early days. There is a tendency to hedge commentary about the United Nations with qualifications, as well as widespread agreement that it has not lived up to expectations. Some of the disillusionment has been inevitable, given the soaring optimism and inflated rhetoric of the immediate post-war period and, for many emerging nations, the heady days of decolonization. For some western nations it has also been difficult to adjust to the fact that, in the space of a single generation, the United Nations has been transformed from its originally restricted base into a genuinely worldwide organization in which the West's sway is no longer predominant.

To such problems of adjustment must be added growing doubts about the effectiveness of many United Nations organizations. In a recent interview with British journalist Jonathan Power, Secretary General Perez de Cuellar lamented that the member governments are "always creating new bureaucracies and new expenses ... I don't even know how many bodies the UN has." A recent report by the UN's own joint inspection unit observes that the quality of staff is poor and there is widespread "indifference shown toward standards of work and competence". Yet "the type of tasks entrusted to the United Nations— peace, protection of human rights and development—are some of the most difficult imaginable."

The clear result of these factors has been a crisis of multilateralism. In his 1984 report, the Secretary General noted:

> It is paradoxical that while contemporary realities have strengthened the need for the use of multilateral means for dealing with our problems and enlarged the scope for growth and development through multilateralism, there is an increasing questioning of the rules, instruments and modalities of multilateral co-operation.

The fundamental difficulty is the increasing fragmentation of interests that has beset the world community over the last couple of decades. Unfortunately, unless a greater commonality of purpose can be re-established at the United Nations, it is in danger of atrophying from lack of use. The basic commitment of Canadians to multilateralism, which they embrace, in the words of Stephen Lewis, Canada's Ambassador to the United Nations, "almost intuitively", demands that Canada take this challenge very seriously indeed. (22:10)

In part as a consequence of concerns about effectiveness, there is a disturbing disparity between the organization's present programs and the realities of its budget. In starkest terms, the United Nations is simply running out of cash. This is the result of several factors, not least of which is the practice of some member states of selectively withholding their duly assessed contributions. The problem was recently brought to a head, however, by two events in the United States, which has long been the UN's principal financial supporter by far. The first, as Ambassador Lewis testified, was Senator Nancy Kassebaum's amendment to a State Department appropriation which, effective October 1, 1986, will reduce the U.S. contribution from 25 per cent of the UN's total budget to 20 per cent. The amendment also requires the promotion of a system of weighted voting on budget matters, based on the level of financial contribution rather than, as today, a complex formula based essentially on capacity to pay. The Kassebaum amendment was supported by a large majority in both houses of Congress.

The second event was the Gramm-Rudman-Hollings amendment of December 1985, which decrees automatic cutbacks in U.S. spending unless Congress and the executive branch can agree on a timetable to eliminate the federal deficit. This resulted in a budget proposal from the President that pares a considerable sum from the funds normally appropriated for international organizations. The President's proposal has yet to emerge from the congressional budget process, but it is estimated that the 1986 U.S. contribution to the United Nations system could be slashed by as much as $80 million (U.S.)—almost ten per cent of the total UN budget.

This latest emergency, which only became clear in January 1986, cannot be divorced from the related problem of the debt load the United Nations has been carrying because of member states whose payments are in arrears. The Soviet Union, for example, is currently over $200 million in arrears for regular assessed contributions and for contributions to peacekeeping operations that it refuses to recognize. Yet that country shrewdly maintains its debt just below the trigger point beyond which voting privileges would be revoked under Article 19 of the United Nations Charter. In short, as Ambassador Lewis noted, "one of the issues which is now central to the UN is its future financial solvency." (22:9)

The difficulty is that financial responsibility at the United Nations is skewed; the majority that makes decisions about what the United Nations does contributes very little of the budget. There is a desperate need for some balance to be restored to this arrangement. Otherwise, the disparity between the majority's voting power and the willingness of the major donors to continue contributing will critically endanger the United Nations itself.

The Council of Canadians proposed that Canada lead the way "both financially and politically in fulfilling any responsibilities vacated by the United States within the United Nations family." (43:41) On the other hand, Robert Reford, president of the United Nations Association in Canada, pointed out that Canada's record of contribution has been extremely good. He suggested that more Third World countries could bear somewhat more of the cost.

> The developing countries regard the UN very much as their organization, they pay a great deal of attention to it. They often send their best men to the UN rather than to other diplomatic posts ... I realize there are financial problems but it seems to me that perhaps they should pay a little more than the .01 per cent which a great many of them pay. (58:30)

There is an obvious danger in both political and financial terms, the consequences of which are rapidly becoming apparent, for the United Nations to rely too heavily on any one member state. Currently, the collective contributions of 147 of the 159 UN members amount to less than the United States pays alone. Under the circumstances, **we recommend that Canada support the work of the High Level Group of experts that has been established by the Secretary General to study the financial problems of the United Nations. In the longer term, in concert with other middle powers, Canada should explore the possibility of a new financial arrangement for the United Nations whereby no single nation would contribute more than an amount set so as to ensure that the organization is not unduly dependent on any one member.**

At the same time, Canada has an important function to fulfil in encouraging the United States—a founder of the United Nations—to continue to participate in it. Full and whole-hearted involvement by the United States is essential for an organization intended to encompass and, more important, to engage all the nations of the world. Those who bemoan the increasing irrelevance of the United Nations surely do not suggest that the progressive disengagement of the United States is any remedy.

Reform of the United Nations is a prerequisite for renewed consensus, which is the desire of all its supporters. Priorities must be examined and programs reconsidered to assure their maximum effectiveness. International mechanisms must be streamlined to eliminate any unnecessary duplication of activities. Currently, for example, ECOSOC (the Economic and Social Council) and various committees of the General Assembly consider virtually the same agendas each year—a duplication that was originally intentional but that has since outlived its usefulness. To help pursue the objective of reform, proposals offered to the committee by David Pollock and by Charles Nobbe bear further consideration. Both called for a review of various multilateral organizations such as the UN Environment Program, the Food and Agriculture Organization and UNESCO. In Charles Nobbe's estimation, "there is...a great deal of duplication and over-centralization." (32:89) David Pollock's suggestion is to ask two simple questions: first, is the specific organization under study relevant today as opposed to when it was created and, second, is it effective? (22:15) We think this idea is worth exploring with countries that share Canada's commitment to the United Nations to see how far it is possible to take this principle of external review.

As a minimum objective, we need to discover a better means of co-ordinating the various development programs of the United Nations, the International Monetary Fund and the World Bank. David Pollock drew attention to the inadequacy of co-ordination within the multilateral development system, despite various attempts to create some sort of mechanism. (22:14) The UN's joint inspection unit report, for example, recommended dismantling the New York, Washington and Rome offices of the Food and Agriculture Organization, UNICEF, the development, population and food aid programs, and even the World Bank. The report suggested they should be reconstituted as one unified organization with regional headquarters in Africa, the Caribbean, South Asia and other areas of the Third World. Overseeing these integrated regional development agencies at UN headquarters in New York would be a tightly structured economic counterpart to the Security Council. At the very least, these proposals merit careful study. **We recommend that Canada seek international agreement on an appropriate agency or committee to help streamline operations within the multilateral development system as a whole. We support all efforts to reduce the duplication and over-centralization that exist within the United Nations system. The United Nations should be willing to explore possibilities for new kinds of institutions and jettison those that have outlived their usefulness.**

The Third United Nations Conference on the Law of the Sea provided for just such a new institution—the Sea Bed Authority. Canada was deeply involved in that conference and in the negotiations that led up to it. Canada's role as a mediator between the developing and the industrialized countries in these extended negotiations was in the finest tradition of bridge building—a role where Canada, according to Elizabeth Mann Borghese, "has a distinct comparative advantage. It is really cut out for this job." (33:6)

Canada is now engaged, along with the rest of the international community, in the work of the Preparatory Commission for the Law of the Sea. The Law of the Sea Treaty did not fully elaborate the rules and regulations for the mining of the sea bed, and the Preparatory Commission is charged with this task. Canada has a major interest in the outcome of this negotiation, which will also have to sort out the claims of pioneer investors, including Noranda and Inco, in the mining of the sea bed.

We believe the government should press for early completion of the work of the Preparatory Commission for the Law of the Sea, so as to end the uncertainty surrounding the deep sea bed régime. Then, the government should begin a detailed analysis of the costs and benefits of the Law of the Sea Treaty. Although it has not yet come into force, the Treaty has already brought Canada significant benefit, and the committee believes Canada should ratify it.

An area where Canada might usefully concentrate its energies in terms of developing new international legal constraints and instruments is the environment. Paul Painchaud of Laval University made an impressive case for giving greater priority to international environmental issues, arguing that global environmental problems "represent as serious a hazard as the nuclear threat." (49:42) David Munro of the Canadian Wildlife Federation also drew attention to the fact that unless a better linkage between conservation and development is achieved, there will be even more drastic problems afflicting significant areas of the globe: "environmental degradation, loss of resources and loss of the basic support for economic development in the future." (42:58) The famine in the Sahel could be a grim herald of things to come unless careful preparations are made. Nor can Canadians be wholly sanguine about their own situation. Mr. Munro's comments are telling:

> We are all aware of the fact that the emissions of sulphur dioxide from power plants in the United States are contributing to the acidification of lakes and the destruction of forests in southeastern Canada. Similar phenomena occur in Europe. Pollution from all around the northern hemisphere is causing an arctic haze to form during the winter in polar Canada. We do not know what long-term effects this will have. (42:59)

Canadian governments—both federal and provincial—have taken strong steps to combat the domestic sources of acid rain. They have also reflected the concerns of their electors by placing great emphasis on the value of concerted international efforts to protect the environment. Canada's involvement in the 1972 UN Conference on the Human Environment and in the subsequent creation of the UN Environment Program (UNEP), in part through the participation of Maurice Strong as secretary general of the conference and as the first executive director of UNEP, were early examples of the national commitment. UNEP is unusual among UN agencies in that it is funded strictly through voluntary contributions, with Canada consistently among its principal supporters. The Canadian permanent representative to UNEP, David Miller, had the honour to be chosen as the first chairman of the newly formed Resident Representatives Group, which has considerable influence because it acts as the liaison between the agency's secretariat and the member states between meetings of the Governing Council

(of which Canada is also a member). Charles Caccia, a former Minister of the Environment, has suggested, however, that UNEP would be more effective if it were set up in the office of the UN Secretary General. "Here it would initiate policy, play an advocacy role, and promote and advance long-term thinking and research." (58:65) **The committee recommends that the government of Canada investigate the possibility of bringing the United Nations Environment Program (UNEP) into the mainstream of regularly funded UN specialized agencies and, in general, do everything possible to enhance the effectiveness of UNEP. The government should also continue to take a lead internationally in arousing concern about deterioration in the environment and co-operate with other like-minded states in pressing for preventive and remedial action.**

The recent disaster at the Chernobyl nuclear power plant in the Soviet Union has heightened fears throughout the world about the potential dangers of nuclear energy. There are currently 361 nuclear power reactors in operation around the world, with another 144 under construction or on order. At the same time, a number of questions about nuclear power remain unresolved. These include the fate of nuclear plants once their useful life of 25 to 30 years is over, as well as effective means of disposing of the highly dangerous radioactive waste products that are steadily accumulating and inviting some future catastrophe.

The International Atomic Energy Agency (IAEA), an autonomous intergovernmental organization under the aegis of the United Nations, has as its main objectives (a) to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity around the world, and (b) to safeguard nuclear materials and equipment intended for peaceful use within a country in order to prevent their diversion for military purposes. Inspections within countries depend entirely on their permission and relate exclusively to nuclear proliferation. The IAEA has devised extensive safety criteria for nuclear power reactors and for the management of radioactive wastes. Yet international consensus remains inadequate in this area, and inspection of civilian facilities for safety and environmental standards is non-existent. The committee recognizes the difficulties of obtaining international agreement. However, the Chernobyl incident has demonstrated that nuclear reactor accidents are extremely likely to cause international contamination. In these circumstances **we consider that the Canadian government has an obligation to press for international agreement, preferably through the International Atomic Energy Agency, on safety measures relating to nuclear power. These should include a comprehensive review of safety standards for civilian atomic energy plants, development of an international inspection system, elaboration of radioactive waste disposal methods, and an international agreement covering prompt warnings about nuclear accidents and the provision of immediate assistance.**

International law can also assist in the achievement of important Canadian foreign policy goals, particularly in the multilateral area. Given the vast range of international organizations within and outside the UN system, we believe that it is in Canada's best interests to strive to develop the current body of international law and, concurrently, to seek to assure its optimum use.

In this spirit, we are encouraged by the government's recent withdrawal of the reservations made in 1970 with respect to the arctic and coastal fisheries zone. Edward McWhinney has observed:

> The challenge for Western political leaders and their jurists is to join the international law-making process and actively participate in the rewriting of the 'old' rules and the making of 'new' ones, ensuring a substantial Western flavour and content in the process. One will discover...that the Third World...is not in any way a monolithic bloc

with a rigid orthodoxy...but plural in organization and philosophy and characterized, in consequence...by widespread differences in interests and outlook and expectations. (*International Journal* XL/3 (1985):422.)

The only Canadian ever a member of the International Court of Justice was John Read who served from 1946 to 1958. **We recommend that Canada put forward candidates for positions on the International Court of Justice and other major international law-making institutions such as the International Law Commission and the UN Commission on International Trade Law. We also believe that Canada should encourage states to accept the jurisdiction of the International Court of Justice, with minimal or no reservations in adopting the optional clause.**

Canada should promote, by its own statements and policies, the general concept of the peaceful settlement of disputes. This demands a willingness to use its mediation skills and to promote the active intervention of other third parties including institutions such as the United Nations and the Commonwealth at the earliest possible juncture in a given dispute. We should encourage a wider and earlier use of fact finding and observation on a regular basis by the United Nations Secretary General and his nominees. There is also a need for the Secretary General, in concert with the Security Council, to survey more regularly and systematically the worldwide state of international peace and security.

The committee's support for international organizations naturally extends beyond the United Nations family. We regard Canadian ties with the Commonwealth to be of the utmost importance and recognize that the relationships we develop there serve us in countless and often unexpected ways, both bilaterally and in other multilateral forums. We also welcome the more recently created *La Francophonie* and are certain that in time it will assume as significant a role on the world stage as the Commonwealth. This dual membership affords Canada a unique opportunity to listen to the views of developing countries from both language groups. No fewer than 44 of the Commonwealth's 49 member nations and 34 of the 39 *Francophonie* states are developing countries. Our commitment to both these institutions is vital to our collective sense of Canadian identity. It is also important to the image we have of ourselves in the world community that we be willing to take a leadership role in these organizations should circumstances require it.

What is fundamental is that Canada's long-standing commitment to international co-operation must not flag, especially during this period when multilateralism itself is seen to be in crisis. Canada must continue its efforts to find pragmatic solutions to new political realities. The aim should be two-fold: (a) institutional reform with a view to maximizing efficiency by reducing duplication and waste, and (b) encouraging dialogue between North and South by drawing the emerging nations of the Third World into the policy-making centres of multilateral institutions. By these methods, it will be possible to create a renewed consensus behind international organizations.

There is no alternative to multilateral co-operation through such institutions as the United Nations in a world that by every palpable measure grows smaller and more interdependent every day. Moreover, despite the immediate difficulties, there is considerable room for hope even in the short term. Canada's ambassador to the United Nations, Stephen Lewis, concluded his testimony on this optimistic note:

> I am one of those...who think the United Nations, with all its deficiencies...is still very, very much worth having and adhering to, and as it moved into its 40th anniversary with the inundation of heads of state and government one sensed a slight psychological turning point—internal to the UN, a sense that it was worth doing; external to the UN, a slightly more sympathetic public perception. (22:10)

CHAPTER FIVE

Safeguarding International Peace and Security

Canada needs to make fully independent judgements on the major issues of international security. As we pointed out in our interim report, Canadians both inside and outside government rely too much on information and analysis generated by sources in the United States. Canadian governments have not been accustomed to formulating detailed positions on strategic options confronting either NATO or the Warsaw Pact or on the positions the West should advance in arms control negotiations with the Soviet Union and its allies. Instead of taking a prominent role in the security policy debate, they have tended to acquiesce in the positions taken by the government of the United States, possibly diverging slightly on minor points, but rarely coming to grips with the central issues.

In our view, an informed policy debate at home is needed to back up a more active role abroad. Lacking detailed government elaborations about, for example, how much deterrence is enough, Canadians have had difficulty in the nuclear age identifying the standards by which weapons purchases are assessed or arms control proposals are developed. The House of Commons discusses these subjects more often than it once did, but detailed positions, supported by argument relative to Canadian perspectives, are needed. The absence of such positions has contributed to the mood of unease that we detected among the interested public. Without a clear indication of government policy, it is hard for the public to be confident that Canada's national interests are being taken into account or that Canada is making the contribution it is capable of making at the international level.

We acknowledge that Canada has recorded some solid accomplishments in the pursuit of international peace and security. Canada has been exceedingly active in multilateral organizations devoted to this purpose, and a number of Canadian officials have become highly proficient in the field. Canada is fulfilling several useful tasks, such as the development of arms control verification techniques, that correspond to Canadian skills. This approach is tailored to Canada's particular attributes as a member of the Western Alliance that nevertheless retains a degree of objectivity about the superpower conflict. At the same time, however, Canada is skirting the edges of important issues of strategic policy. We think that Canada should combine its traditional approach of working through multilateral organizations with a sustained effort to influence the most significant decisions bearing on international security.

We believe that a priority for the government in security policy should be to elaborate a Canadian perspective on strategic, arms control and disarmament issues. In the first place, this means recruiting and developing the kind of analytical expertise on which a more active Canadian role in this field must be based. The committee is encouraged by the recent establishment of the Canadian Institute for International Peace and Security and by the growth of other university and non-university research centres. They can be expected to raise the level of expertise in this field. Second, the government must formulate its own judgements on the central questions of strategy and arms control. Third, with this background the government could be more effective in pressing its views with other governments and in international forums. Finally, the government should engage the public in a continuing dialogue on security policy, beginning by making public its own views together with the arguments behind them.

Canada's security policy should be aimed at preserving international stability and promoting world peace. International stability demands defence forces that deter but do not provoke an adversary. It requires mutually agreed controls on arms that assure each side that the other is not considering a pre-emptive attack. Finally, it necessitates continuous diplomatic communication between the two sides to guard against misperception of intentions or any possibility that the world might blunder into war by accident.

The need for an independent capability to develop security policy is all the greater because of possible factors of instability that are apparent in the strategic environment. In particular, as we were told by Admiral R.H. Falls, a former chief of the defence staff and chairman of NATO's Military Committee, "Both the superpowers are in the process of equipping themselves with weapons of multiple warheads and selectable yields with such accuracy as to have a discrete targeting capability." In Admiral Falls' opinion, "...this gives each country the capability of pre-empting the other with a first strike at the hardened silos of its adversary. It is this feature that creates uncertainty and instability." (21:38)

We also recognize a change in the strategic environment that affects Canada directly. Canadian territory is acquiring greater strategic value, partly as a result of the importance the United States is now placing on ballistic missile defence and partly because of the development of new offensive systems, including long-range bombers, cruise missiles and precision-targeted SLBMs (submarine-launched ballistic missiles). As a result, Canada could be confronted in future by requests to place ballistic missile defence installations on its territory. Moreover, the addition of cruise missiles to the Soviet arsenal probably increases the risk that any attack on North America would include the targeting of installations on Canadian territory. We were impressed by the statement of John Lamb, executive director of the Canadian Centre for Arms Control and Disarmament, who argued that Canada has an opportunity to use its newly enhanced strategic importance to take a lead in shaping the strategic environment for the benefit of both Canadian and international security.

Defence Policy

As we see it, the fundamental issue in defence policy is that of reconciling Canada's capabilities with Canada's commitments. At the moment, Canada's armed forces are spread thinly over a remarkably large number of roles. They suffer from shortages of personnel and obsolescence of equipment, caused by neglect during the 1970s and continuing financial stringency. Numbering approximately 84,000 primary

regular force personnel and 25,500 primary reserves, they are expected to carry out the following tasks:

1. The protection of Canada and Canadian national interests at home and abroad; this includes surveillance of the North and of the coastlines on east and west, aid to the civil power, search and rescue and other domestic tasks.

2. Assistance in the protection of the strategic deterrent through NORAD, in co-operation with the United States.

3. The fulfilment of NATO commitments, including the commitment of land and air forces to the defence of central Europe, the protection of Atlantic sea routes for resupply and reinforcement, and the reinforcement of northern Norway in the event of an international crisis.

4. Peacekeeping missions.

This is a greater number of commitments than Canada can reasonably expect to fulfil with its present military resources. It is not surprising, therefore, that we heard suggestions, such as those offered by Cynthia Cannizzo and others, for a rationalization of Canada's defence commitments that would permit a greater degree of specialization. These suggestions have much to commend them.

To take one example, a more pronounced role for the armed forces in the North, building on the ideas set forth in our discussion of a northern dimension for Canada's foreign policy (Chapter 10), might evoke a good deal of enthusiasm from Canadians and could, at the same time, be a useful service for the NATO Alliance. There are other ways Canada's commitments could be restructured—by, for example, pulling the airforce contingent back from Europe to strengthen the surveillance and detection capability in North America or putting more emphasis on maritime forces, which also carry out tasks beneficial to both Canada and the Alliance. Almost all such rearrangements would have the result of reducing the number of jobs carried out by the Canadian forces but enabling them to do those jobs much more effectively than they can possibly hope to do them at present.

We recognize, however, that reordering Canada's defence commitments would be a tortuous and difficult exercise, and it is uncertain what economies, if any, could be achieved. Moreover, because Canadian forces are limited in size and spread out over a number of tasks, there is a risk that any major change could damage or weaken their overall viability. In addition, the 6,700 Canadians currently stationed in a reserve role on the central front in Europe fulfil a vitally important political function in addition to their military role. They are the visible sign of Canada's commitment to the defence of Europe. The reaction of members of the Alliance to the reduction of Canada's forces in Europe in 1969 suggests that a complete withdrawal at this time would be resisted for fear that it would weaken the resolve of the United States to keep its own, much larger, forces in Europe. In the eyes of Europeans, the Canadian forces in Europe have a value that goes far beyond their numbers.

Another argument for an increased Canadian contribution to European defence is that a stronger conventional posture would be a means of getting NATO to abandon possible first use of nuclear weapons for the defence of Europe, thereby reducing the risk that a minor conflict would escalate into a devastating nuclear exchange. This point of view arouses considerable controversy and is one of a number of strategic policy issues that should be examined by a parliamentary committee.

We are sceptical of the proposal by Douglas Ross that Canada increase its European ground forces from one brigade group to about two divisions, although a few of us agree that NORAD should be allowed to wither away, with Canada assuming responsibility for peacetime control of Canadian air space and providing early warning to the U.S. Strategic Air Command (SAC). A majority of committee members believes that Canada should continue to play a significant role in NORAD because the early warning arrangements now provided for SAC, which contribute to deterrence, could not be provided at close to current costs by Canada on its own. If in the future, however, the United States decided to deploy SDI, Canada should reconsider its position on how to contribute to North American air defence.

If Canada is not going to alter its agreed defence commitments, a second option would be to enable the forces properly to fulfil these commitments. This was the approach taken by Vice-Admiral H.A. Porter of the Federation of Military and United Services Institutes of Canada. "If Canada expects to be listened to where defence matters are being discussed," Admiral Porter told the committee, "then Canada must take a number of measures to improve our defence posture so that we can demonstrate to our allies in the world that we can meet the commitments we have made to collective security and protection of our sovereignty." (46:89-90) Admiral Porter and Lieutenant-Colonel J.H. Evans, vice-chairman of the Atlantic Conference of Defence Associations, also emphasized the need for more trained military personnel and, especially, the importance of developing a large and effective reserve force.

The government has maintained defence spending above the rate of inflation in exceedingly difficult financial circumstances. The effectiveness of a defence force also depends, however, on spending the defence dollar wisely, which means that future procurement decisions should not be governed primarily by pressures to spread the economic benefits across the country. Moreover, the Senate Special Committee on National Defence has calculated that, to meet all its present commitments, Canada will have to increase defence spending from approximately 2 per cent to 2.5 per cent or 3 per cent of the gross national product.

In our opinion, the government must confront the commitment-capability gap. There are grave dangers in leaving the gap unattended. For example, it is difficult to see how the Canadian forces could fulfil the commitment to reinforce the brigade on the central front and at the same time send the Canadian Air-Sea Transportable Combat Group to Norway. **We therefore propose an immediate study of long-term defence requirements designed specifically to ascertain how much additional expenditure would be necessary to complete the task of re-equipping the armed forces over the next 10 years. If this level of spending is not considered attainable, then the government should attempt, in consultation with its allies, to renegotiate or restructure some of Canada's defence commitments so as to close the gap between commitments and capabilities and ensure that Canada's armed forces can carry out properly the roles they are assigned.**

We also heard proposals that Canada broaden and strengthen its military effort to be able to play a greater role in the defence of western interests in other parts of the world. George Bell of the Canadian Institute of Strategic Studies argued that, in view of the development of trade with the Pacific Rim and the growth of Soviet forces in Asia, the Pacific and the Indian Ocean, Canada should adjust its defence posture to accept security responsibilities beyond the immediate coastal areas of the Pacific. (45:36-40) He also drew the committee's attention to Canada's interest in the Caribbean and Central American region and implied that Canada should make some military contribution in that area as well.

We agree that these situations bear close watching. Because Canada's forces are already overextended, however, we do not think it desirable to go looking for wholly new responsibilities. In any event, we do not agree that embracing wider defence commitments in the Pacific and the Caribbean is the right way for Canada to contribute to the pursuit of international peace and security. The only role we could envisage for Canadian forces in Central America would be as part of a peacekeeping force.

Gwynne Dyer presented another perspective on the defence debate, arguing that Canada should be prepared to surrender its NATO and NORAD commitments and adopt a posture patterned after that of Finland, which combines neutrality with commitments to ensure that its territory will not be used to threaten the security of its powerful neighbour. Most of us do not agree with this prescription. Finland does not stand in the way of a direct attack on the Soviet Union, whereas we do not believe that effective protection of the northern part of North America could be provided without close defence arrangements between Canada and the United States. Moreover, unlike Finland and the Soviet Union, Canada shares a way of life and a belief in democracy with its powerful neighbour. Finally, most of us believe that Canada's participation in alliances promotes its own long-term interests, including the defence of freedom and of international order. New Democrats on the committee question the value of military alliances in reaching the goal of international peace and security and believe the subject should be examined more thoroughly than has been possible here.

Arms Control and Disarmament

We sensed an enormous degree of impatience with the slow progress of arms control. As Joanna Miller told us in Saskatoon, "Arms control negotiations tread water as innovative technologies outstrip efforts to control them." (39:34) As indicated in the testimony, some members of the Consultative Group on Disarmament and Arms Control of the Department of External Affairs challenge Canada's fundamental orientation, asking,

> ...in the light of the inability to manage the arms race for the past 40 years through existing structures...[is] it not time for a radical new approach? What do we mean by security? What are Canada's security needs? Are they best served in existing structures and alliances? (36:5)

Arms control and disarmament issues are often complex, covering a range of political, military and technical factors, and it is necessary to build confidence at each stage as the search for reductions proceeds. We note that most groups within the peace movement are committed to mutual reductions rather than unilateralism and many are ready to work through NATO, as well as the United Nations, provided they see reasonably good prospects of progress soon.

We share the impatience of those who perceive the growing seriousness of the strategic environment, which demands a renewed effort to curb the dangerous build-up of weapons. **We believe that it is necessary to enhance strategic stability by pursuing arms control and that the best path forward is one that includes mutual agreements, balanced and deep reductions, and adequate means of verification.** We commend the government for taking a lead in the area of arms control verification. Canada was the sponsor of the resolution on verification that was approved by the First Committee of the United Nations General Assembly in the autumn of 1985. As a practical measure, the government recently agreed to upgrade the Yellowknife seismic array as a

contribution to monitoring an eventual comprehensive test ban. There is substantial potential in Canada's research and high technology sectors for making further contributions to the effective control of arms.

Canada is an active participant in the Conference on Disarmament in Geneva. Canada is also, by virtue of having forces in Central Europe, working alongside other members of the Alliance in the Mutual and Balanced Force Reduction Talks in Vienna. These talks have the objective of negotiating reductions in, and limitations of, conventional ground forces in Europe.

We recommend that Canada intensify its efforts, multilaterally within NATO, the United Nations and in disarmament forums and bilaterally with the United States, the Soviet Union and other countries, to win acceptance for a comprehensive set of arms control measures. These measures, which have been enunciated by the government, are as follows:

1. **A mutually agreed and verifiable radical reduction of nuclear forces and associated measures to enhance strategic stability. The latter should include, in particular, reaffirmation of the Anti-Ballistic Missile Treaty, interpreted strictly as prohibiting all but basic research on defensive systems.**

2. **The maintenance and strengthening of the nuclear non-proliferation régime.**

3. **The negotiation of a global ban on chemical weapons.**

4. **The achievement of a comprehensive test ban treaty that will be mutually verifiable.**

5. **The prevention of an arms race in outer space.**

6. **Agreement on confidence-building measures sufficient to permit the reduction of conventional military forces in Europe and elsewhere.**

We are attracted by proposals for an international system to register exports and imports of weapons and munitions as one means of controlling the expanded trade in conventional weapons and we believe that Canada should seek international support for this concept.

One intriguing idea, presented to the committee by Douglas Ross, was to establish sanctuaries for each side's sea-based nuclear deterrent, intended to keep it as far as possible from its adversary's territory and thereby increase warning time and reduce the risk of inadvertent war. (27:21, 29-30) The committee is not in a position to comment knowledgeably on the feasibility of this idea, but we think it worthy of careful examination. If it is found to have practical merit, it could be the subject of a multilateral initiative, because Canada would probably not have much success going ahead on its own with such a proposal.

Our attention is naturally fixed on the arms control proposals that were exchanged in the autumn of 1985 by the Soviet Union and the United States in Geneva. The two sets of proposals are far apart in many respects, but they do converge in holding out the possibility of deep reductions in nuclear arsenals through cuts in both launchers and warheads. We find worthy of attention the proposals Secretary General Gorbachev made in a statement on January 15, 1986, for a three-phase reduction of nuclear arms leading to their elimination by the turn of the century. In the committee's view, the proposals must be more than just a beginning. In view of the importance of making progress in arms control, **we urge the government to make every effort to encourage the**

superpowers to engage in productive negotiations on the limitation and reduction of nuclear weapons.

We realize how difficult it is for a country of modest military capability to get a hearing in security policy discussions, especially in Washington. Unless Canada is equipped to develop new ideas and approaches, it cannot expect to be able to exert influence in Washington or in other capitals. This will require a greatly increased technical capacity to analyze issues relating to arms control. Canada's representatives will have to be sufficiently well briefed that they can deal with U.S. policy makers on equal terms, and when making representations they will have to be firm in asserting Canada's vital interest in these discussions.

In addition to holding bilateral discussions with the United States, we see advantage in pressing for more extensive discussion with all Canada's allies. We heard several proposals for enhancing NATO's importance as a forum not just for consulting on arms control, but also for formulating detailed negotiating positions. One such proposal was made by Malcolm Bow, a former Canadian diplomat, who argued that arms control should be made a basic ingredient of all NATO's strategic planning and decision making. Canada's delegation to NATO, he proposed, should be instructed "to insist on every appropriate occasion that arms control arrangements be incorporated in all strategic plans or decisions, especially when new or revised deployment of forces or weapon systems are contemplated." (50:109)

An effective arms control and disarmament policy that enjoys the desired degree of support within government has to be the joint product of foreign policy planners and defence policy planners. We perceive a gap, however, between the thinking of the Department of External Affairs and that of the Department of National Defence on this subject. We are concerned that arms control initiatives might not be pushed with sufficient energy and might lack co-ordination because of this gap. In our view, **decisions about defence policy, including the military decisions in which Canada participates as a NATO member, should not be taken without due regard to their consequences for arms control. Arms control and disarmament policy, on the one hand, and defence policy, on the other, should move in tandem.**

We have concluded that the government's capacity for formulating policy on arms control and disarmament needs improvement. We are not in a position to specify the manner in which this capacity could be improved, but one essential requirement would be a new policy development mechanism designed to reconcile the views received from the Departments of External Affairs and National Defence. We also believe that foreign policy is conducted in a more co-ordinated and energetic manner if it is exposed regularly to public examination. For this reason, the new mechanism should be directed to report periodically to Parliament.

East-West Relations

We believe Canada has a part to play in the political management of East-West relations. As John Halstead told the committee, "East-West relations are too important to be left to the superpowers alone." (30:10) This should involve both multilateral contacts with allies and bilateral exchanges with the governments of the Soviet Bloc. Multilaterally, Canada should work with its allies towards a common understanding of the limits of acceptable behaviour on the part of the Soviet Union, as well as agreement on the incentives and deterrents to be used to gain respect for those limits. The scope of these consultations should cover the full range of Soviet actions and policies. However,

the varied response within the Alliance to the declaration of martial law in Poland and to the decision to build a pipeline linking Western Europe with the Soviet Union suggests that particular attention should be devoted to reconciling differences within the Alliance. The Canadian approach should be to encourage an Alliance posture towards the Soviet Union that is united, firm, unprovocative and open to reasonable accommodation.

There are points at which the West can hope to exert some leverage over Soviet behaviour. By the same token, there are points at which the Soviet Union can hope to drive a wedge into the Western Alliance. This confronts the western governments with the need to concert their policies on such different matters as trade and the terms on which to supply export credits, the transfer of technology, particularly technology with military potential, and how to respond to Soviet support of revolutionary movements in developing countries. Not only is it difficult to get western governments to think and act alike on these matters, but there are differences of opinion over what motivates Soviet behaviour and how best to influence that behaviour.

The accession of Mikhail Gorbachev brought about a substantial change of personnel in the Soviet leadership and, given that leadership, a more contemporary style. The new leader strikes us as more capable than his predecessors, more alert, more calculating, more flexible and better able to move fast when he sees the chance. Western governments should make a constructive response to what appears to be a concerted attempt on the part of the new Soviet leadership to lessen East-West tensions. We were impressed with Secretary General Gorbachev's decision to extend the self-denying ordinance on underground nuclear testing in the Soviet Union, a decision that has raised hopes following the disappointment occasioned by the Soviet Union's vote against establishment of an international seismic monitoring network at the fortieth session of the United Nations General Assembly. We believe the Soviet moratorium offers an opportunity to develop a comprehensive nuclear test ban agreement. In particular, we think the government should encourage the U.S. government to undertake a similar moratorium for a period long enough to determine whether agreement could be reached on a comprehensive test ban, including mutually acceptable verification arrangements.

Canada can also contribute to the development of East-West relations by exerting an influence on the United States. This can be done bilaterally as well as by working to gain the support of like-minded states that together can affect U.S. thinking. There is special value in exchanging views with the other NATO powers. The Federal Republic of Germany, for example, has long had its attention fixed on Moscow, often has views on international issues similar to Canada's—a fact illustrated by the similarity of their voting records in the United Nations—and carries great weight with the United States.

The future of Europe remains at the centre of East-West relations. Canada has a major interest in European security, trades with the countries of the Soviet Bloc, and energetically involves itself with humanitarian issues, particularly the reunification of families and the freer movement of people. Owing partly to the personal links that many Canadians have with Eastern Europe, Canada is deeply concerned about the behaviour of those governments with respect to human rights. As a participant in the Conference on Security and Co-operation in Europe (CSCE) and in the wide range of meetings and consultations generated by the CSCE, Canada has a good opportunity to work towards establishing effective confidence-building measures that create the environment for regional arms control.

Although superpower relations and European affairs are central manifestations of the East-West struggle, there are other issues that divide the two sides, particularly the Soviet Union's occupation of Afghanistan and its attempt to extend its influence in other parts of the Third World. At the same time, there are interests that both sides hold in common, such as the development of trading ties and even a joint interest in international stability, manifested by their co-operation in efforts to halt nuclear proliferation.

In Canada's case, there are good reasons for seeking to develop a better bilateral relationship with the USSR. Since Canada is physically located between the USSR and the United States, it is natural for it to try to serve as a bridge and to diminish East-West tensions. The growing militarization of the arctic region gives Canada a special interest in seeking to manage the military balance in that region. Canada also has a range of economic, scientific and other bilateral relations with the Soviet Union that are important to both countries. In addition, both Canada and the Soviet Union have interests and involvements that justify frequent exchanges of political views.

The economic relationship, though impressive in statistical terms, stands on a rather tenuous footing because it is heavily slanted in the direction of Canadian grain exports to the Soviet Union. Two-way trade has, as yet, failed to develop. The Soviet Union is by far the largest market for Canadian grain, but Canada imports very little in return. Moreover, the Soviet Union is known to be bending every effort to reduce its dependence on imported grain.

There is potential for an increase in exchanges of expertise between the two countries. They confront many situations in common: the challenges posed by a northern climate, the problems of running far-flung transportation and communication systems, and the difficulties of growing grains in a cold and arid climate. A program of bilateral exchanges on a wide variety of subjects was agreed to in 1971 but was suspended by Canada in 1980 following the Soviet invasion of Afghanistan. Official Canadian exchanges in regard to the Arctic, agricultural science and sport have been resumed, but scientific, academic, professional and cultural exchanges have not recommenced. Nothing stands in the way of their resumption under the bilateral agreement already in place, except that the needed funds are not, at the moment, available on the Canadian side.

Canada's resumption of exchanges would serve Canadian purposes and, without in any way mitigating Canada's disapproval of Soviet policy in Afghanistan, would convey Canada's recognition that the change in the Soviet leadership creates new opportunities and that Canada has an interest in encouraging some moderation of East-West tension. We recognize that funds for this purpose are extremely difficult to find. **We endorse the principle of exchanges with the Soviet Union and recommend that provision be made in forward expenditure planning for an increase in such exchanges.**

Exchanges are important as a means of building Canada's knowledge base. We believe there is a need for a greater community of expertise on the Soviet Union, to serve as the foundation for a more confident and understanding approach to that country. Canada lacks individuals who combine expertise in an area of public policy with a strong knowledge of the Soviet Union. There is also a need to strengthen programs for teaching the Russian language. The federal government, the universities, and public and private funding agencies must be kept reminded of how important it is that Canadians view and assess the Soviet Union through Canadian eyes.

Canada also has important bilateral relations with the other countries of Eastern Europe. These are going to require careful handling because of Soviet suspicions of efforts by the Eastern European governments to forge links that will give them slightly more margin for independent action with respect to the USSR. Canada should certainly take the opportunity to carry on a dialogue with them. Indeed, such a dialogue is already under way, and the nuclear accident at Chernobyl has created a shared concern between Canada and these countries. Having complained publicly that they were not notified in a timely manner by the USSR, the countries of Eastern Europe appear to support development of internationally agreed rules for quickly notifying other countries of nuclear accidents or incidents involving the release of radioactive materials. The committee's further proposals on this subject are presented in Chapter 4. Discussions on this and other topics could even bring a fresh perspective on questions of international security. Through the Eastern Europeans, Canada might also learn a good deal about how the Soviet Union approaches security issues. The government should manage these contacts wisely, however, making sure that the NATO allies are fully informed of developments.

Regional Conflict

Although the confrontation between NATO and Warsaw Pact forces in Central Europe involves a greater concentration of armed might than can be found elsewhere, there has been no war between the nations of Europe for over 40 years. During this same period, as John Gellner of the *Canadian Defence Quarterly* told us, there have been about 160 wars in other areas of the world, none of them formally declared but many of great severity. He drew the committee's attention to the Iran-Iraq war, in which it is estimated that one million people have already been killed. (22:11) Based on varying definitions, others claim there have been more or fewer wars, but no one disputes that, outside Europe and North America, there have been numerous attacks by one state on another during the post-war years.

The regional conflict most frequently raised in testimony was that in Central America. Security issues are an important element in the Central American crisis, but Canadian concerns and involvement are based primarily on humanitarian and human rights grounds. For this reason the committee reserves its comments on Central America for Chapter 8, Promoting Human Rights. By comparison, the Middle East, another scene of continual bloodshed and human misery, threatens to involve the superpowers much more than Central America. Accordingly, it engages Canada's primary security interests.

The Middle East is actually the scene of a number of continuing conflicts, not just one. The bloodiest battles and the greatest loss of life have occurred in the bitter five-year fight between Iran and Iraq. The conflict with widest ramifications, and the one in which many Canadians are most personally engaged, is the ongoing struggle between Israel and its Arab neighbours. Four times since the fighting that accompanied the birth of the state, there has been war between Israel and one or more adjacent states. The effects of this conflict have been felt far beyond the Middle East and have worsened international tensions immeasurably. Apart from fighting between states, civil conflict in the region has acquired frightening dimensions. For a decade Lebanon has been the site of violent civil war between rival factions based primarily on religious communities. As well, South Yemen recently experienced a struggle between leaders that involved widespread bloodshed.

The conflicting testimony the committee heard, almost all of which related to the Arab-Israeli situation, impressed us with the intractability of many aspects of that conflict. Again, witnesses recommended Canadian initiatives to reinvigorate the peace process by, for example, fostering direct negotiations between the participants and standing ready to contribute peacekeeping forces. There were also demands for actions that would undoubtedly be interpreted as favouring one side over the other.

What should Canada do about conflicts in the Middle East and Central America, as well as those elsewhere that invade the television screen less often, but threaten the lives of millions in Africa and Southeast Asia? The misery in each of these situations tugs at the humanitarian instincts of Canadians. They find it intolerable that families must put up with repeated dislocation and continuous insecurity, punctuated at intervals by invasions, gun battles and car bombs. They are particularly appalled by the devastation and needless loss of life in Central America and want their government to tackle the situation with determination and zeal.

Canada has the advantage of good relations with many countries through its relationship to the Commonwealth and *La Francophonie*. Moreover, Canada has acquired a good deal of experience working in the United Nations and elsewhere with influential regional regional powers like Mexico, Brazil, India and Nigeria. In situations where Canada is in a position to make a contribution, the most effective approach will be to form informal and ad hoc groupings of such states.

We strongly encourage an active diplomacy on Canada's part but we have no illusions about the prospects. Canada stands too far removed geographically from regional struggles in Africa and Asia to hold significant leverage over them. The superpowers will continue to exert enormous influence, and there are also regional powers whose immediate interests are bound up with those disputes that will carry greater weight than Canada. In such situations, an appropriate role for Canada may be to try to moderate, as far as possible, superpower involvement, such as has occurred in Central America. However, at other times and in other places—for example, the Middle East—Canada's efforts may be directed more fruitfully towards persuading the United States to become more actively engaged in the attempt to resolve a problem.

We affirm Canada's capacity to serve as a disinterested third party in regional conflicts. When Canada undertakes to be a mediator or go-between, it should carefully assess the sources of that conflict, the potential utility of mediation efforts, and the particular talents and leverage it might have to apply to the situation. Canada's capacity has to be suited to the task, and there has to be a reasonable chance of moving a dispute closer to resolution. Rushing in instinctively with an offer of good offices may end in harm to Canada's reputation for effective action and may even exacerbate the dispute. **Provided these conditions can be satisfied, we recommend that Canada stand ready to use its good offices, including mediation, fact-finding missions, and the careful commitment of peacekeeping forces, where appropriate and feasible to assist the parties to regional conflicts to resolve their differences and achieve peace.** This is a job that from time to time needs badly to be done, and Canada may well be in a position to do it. Canadians must realize, however, that acting as a third party has more than its share of frustrations. To be acceptable to the protagonists, it may be necessary to have stayed relatively aloof from the conflict. Furthermore, there may be long delays before the parties involved are ready to seek an accommodation.

In regard to the Middle East, where tension and conflict have persistently defied all efforts to find settlements, we believe Canada should continue to make clear its concern for the security of the region and the well-being of its peoples. In our view,

Canada's current policy sets out the basic ingredients of a viable settlement: recognition of the right of the Palestinians to a homeland on the West Bank and in the Gaza Strip and recognition of the right of the state of Israel to continue to exist behind secure frontiers. We are painfully aware of the difficulties that stand in the way of settlement, particularly with regard to the future of Jerusalem, and we are not in a position to go beyond expressing support for these fundamental prescriptions. However, serious efforts must be made by the countries of the region, the great powers and the United Nations to work towards lasting, peaceful solutions.

While taking the utmost care not to demonstrate a preference for one side or the other, Canada should be ready to participate in these efforts. We support the government's emphasis on furthering discussions between the parties immediately concerned. The intractability of the situation should not bar creative thinking. Moreover, we think Canada should confirm its willingness to offer practical assistance. The long record of Canadian peacekeeping in the area suggests one way that Canada should be ready to make its contribution as the opportunity arises.

Peacekeeping

Multinational peacekeeping operations in the form of observer missions or peacekeeping forces have been used on a number of occasions in the past 30 years to stand between parties to a conflict and thereby restore stability and order to a region. Most have been organized by the United Nations, and all have involved military personnel, but without enforcement powers. A great deal is now known about how to organize such forces and why many of them have worked fairly well and others have not. Peacekeeping has passed severe tests, but each operation is essentially an ad hoc exercise.

Canada has been centrally involved throughout the short but distinguished history of peacekeeping. No other country has participated, at one time or another, in all 13 operations organized under the auspices of the United Nations. In addition, Canada has contributed personnel to most of the smaller number of peacekeeping forces that have occasionally been established outside the United Nations framework. Many of these forces have been composed largely of personnel contributed by non-aligned countries. Canada is one of the few developed countries that is considered sufficiently uncommitted in regional conflicts to make it acceptable for inclusion in United Nations peacekeeping forces. Apart from this political factor, Canadian personnel are in demand because of their skills in communications and transportation.

As a result of its experience, Canada's expertise in the field of peacekeeping is second to none. Apart from participating in peacekeeping operations, the government has been willing to share this experience with other countries or organizations exploring the modalities of peacekeeping. Recently, we were told, the Contadora Group of nations asked for and received excellent advice from the Departments of National Defence and External Affairs on how to apply peacekeeping techniques to assure adherence to the terms of whatever peace plan can be devised for Central America.

As a committee we have been disappointed by the reluctance of member states of the United Nations to avail themselves of the benefits of peacekeeping. The Security Council has created such forces only rarely in recent years. As Henry Wiseman observed, "There has been no new United Nations peacekeeping operation established outside of the Middle East since 1965." (54:31) There is a clear need for a greater sense

of responsibility on the part of Security Council members towards the peaceful and timely settlement of disputes.

A promising sign was the April 18, 1986 decision of the Soviet Union to vote—for the first time—in favour of a Security Council resolution renewing the United Nations Interim Force in Lebanon (UNIFIL). The USSR also indicated that it would contribute to the UNIFIL budget in future. This change may bode well for the possibility of a new appreciation by the superpowers of the value of peacekeeping as an instrument for dampening local and regional disputes.

Canada should explore ways of reviving interest in and support for peacekeeping. One expedient would be to press for the financing of peacekeeping operations from the assessed contributions of the member states to the regular UN budget. Canada might also explore the possibility of co-hosting a conference on the topic, perhaps in concert with such powers as Nigeria, India and the Scandinavian countries, with a view to emphasizing when and how peacekeeping can be relevant to the resolution of regional conflicts. Finally, the Canadian delegation to the United Nations might be directed to examine whether the UN Special Committee on Peacekeeping Operations might be reactivated.

A criticism heard in Canada is that peacekeeping operations can go on indefinitely; Canada's involvement since 1964 with the United Nations force in Cyprus (UNFICYP) is usually cited as an example. Although UNFICYP has prevented bloodshed, it has not stopped the practical division of the island into two territories, and there is no sign that the Greek and Turkish communities in Cyprus have made progress in resolving their differences. The critics complain that the stability provided by the United Nations force has removed any pressure from the warring communities to find an accommodation. This leads them to argue that, rather than being part of the solution, UNFICYP has become part of the problem.

Given the long-standing rivalry between Greece and Turkey and the potential of their dispute over Cyprus to generate major conflict between two NATO allies occupying a critical and extended sector of NATO's front with the Soviet bloc, Canada's contribution through UNFICYP to preserving stability in this part of the world should not be underestimated. Indeed, in terms of the contribution to NATO, the value of Canada's 515 troops in UNFICYP can be compared to that of the brigade group that Canada assigns to NATO's central front. In general terms, Canada's experience in Cyprus illustrates that it is often impossible to close the gap between two sides in an international dispute. As veteran United Nations official George Sherry has observed, "We have to think not so much in terms of solving a dispute 'here and now', because it often cannot be done, but in terms of exercising conflict control. There is a distinction between conflict resolution and conflict control." It is important that Canadians not develop exaggerated expectations of peacekeeping, because this will lead only to disappointment and ultimately to a loss of public support. At best, peacekeeping can contain violence and enable the conflicting parties to look for a settlement. But even if a settlement proves elusive, minimizing violence and bloodshed is surely a valuable achievement.

Canada's peacekeeping resources are clearly stretched to the limit, and, after 22 years, we think it is time for other countries to consider taking Canada's place. Unless such countries come forward, however, **the committee concludes that a continuing Canadian contribution to the United Nations peacekeeping force in Cyprus helps to prevent fighting on the island and maintains stability on NATO's southern flank.**

There are now peacekeeping operations in only three areas: Cyprus, the Middle East and Kashmir. It is therefore reasonable for Canada to hold itself in readiness to be called on again to make use of its experience and technical ability. There are a number of actual or potential trouble spots where peacekeeping might be required. They include Central America, several parts of Africa (Namibia, Chad, Morocco, Western Sahara, Togo/Burkina Faso), Afghanistan, Iran/Iraq, the island states in the Caribbean, Kampuchea and other states in Southeast Asia. Moreover, should peacekeeping forces be required to stabilize any of these situations, the request will almost certainly come at short notice, and then there will be no time for others to develop the expertise Canada now possesses.

The committee was impressed by the suggestion that Canada might expand the use of reserve forces in peacekeeping operations. Currently, a few selected reservists are sent to participate in the units that Canada contributes to the United Nations Disengagement Observer Force (UNDOF) on the Golan Heights. Henry Wiseman, a Canadian who served on the staff of the International Peace Academy, suggested that "it would do no harm at all" to use reservists for Canada's contribution to UNFICYP. "It might greatly enlarge the capability for Canada for the future and give the reservists something emphatically creative to do as well." (54:41)

The Scandinavian countries (Denmark, Finland, Norway and Sweden) provide an interesting model with their extensive use of reserve forces in various peacekeeping exercises. The four countries agreed in 1964 to the composition of the Nordic Standby Force in United Nations Service (NORDBERFN), a comprehensive joint planning structure for national units organized and equipped independently by each country and drawn largely from their reserves on a voluntary basis. Annual national recruiting campaigns are mounted through the mass media, and the volunteers undergo extensive training. While the Scandinavian model is not wholly applicable to Canada, the combination of a general desire to expand the role of the reserves and the tight manpower situation within the Canadian armed forces makes some variation of the model appear attractive indeed. There is no guarantee, of course, that peacekeeping forces would be called upon during a volunteer's specific tour of duty, but some of the training would be valuable in other situations as well. Disaster relief units organized by Sweden, for example, are available for relief work in connection with earthquakes, floods, famines and the construction of refugee camps. **We recommend that the government consider making significantly greater use of the reserve forces for peacekeeping service, either individually or experimentally in small units.**

Another service Canada can provide is peacekeeping training. John Sigler described Canada as having "the best peacekeeping training program in the military anywhere in the world". (30:34) This is a resource that could be brought into play more frequently in the future. Canada should be prepared to provide support of this kind. **The committee recommends that Canada continue to make its peacekeeping expertise available to the armed forces of other countries. The government should also continue to support training seminars on peacekeeping that are hosted at Canadian universities and should continue to assist the International Peace Academy which, among other services, has developed a Peacekeeper's Handbook that is used as a textbook by the Canadian armed forces.**

Through trial and error, and particularly as a result of frustration over difficulties experienced in Vietnam, in the Congo, and when Canada's contingent was expelled from Egypt in 1967, the government developed criteria for deciding whether to respond to invitations to participate in peacekeeping exercises. The latest version of these criteria was made public in a Senate debate:

(a) such a force would have to be under the auspices of the United Nations, be neutral and impartial and would have to have a clear and adequate mandate to allow it to fulfil the functions assigned to it;

(b) the deployment of such a force and its participants would have to be accepted by all the concerned parties;

(c) the concerned parties would have to agree to maintain a cease-fire and there should be reasonable and serious hope of a reconciliation between different factions after the deployment of such a force;

(d) the financing of such a force should be assured by all of the countries belonging to the UN rather than through voluntary contributions. (Senate *Debates*, March 6, 1984, p. 293)

During hearings in Toronto, Janice Stein questioned the first of these criteria. "Whether peacekeeping forces are needed inside or outside the framework of the United Nations should not be of the essence. What is crucial, however, is to help those who wish to negotiate rather than fight." (2) The main merit of an operation under United Nations auspices is that it has the tacit support at least of the great powers and of the parties principally involved. Only in such conditions will Security Council approval be forthcoming. The unhappy experience of the Multinational Force, deployed in the Beirut area without Security Council endorsement to provide support to the government of President Gemayel, shows the risks, although local factors may have doomed the Force from the outset. Canada prudently declined to participate. The Force was drawn increasingly into fighting between Lebanese factions and ultimately had to be withdrawn. However, the experience of the Multinational Force and Observers in the Sinai, which also lacks United Nations sponsorship, has been successful because the two principal parties—Egypt and Israel—want it to succeed and can assure conditions for its effective functioning. A Canadian contingent replaced the Australian contingent in this Force on April 1, 1986. **In the committee's view, the best approach to invitations to become involved in peacekeeping operations is for Canada to apply its criteria on a case-by-case basis, while maintaining its preference for operations under United Nations auspices.**

Terrorism

Terrorism in recent years has become a scourge that no civilized nation can ignore in its foreign relations. Since the late 1960s the international community has witnessed a disturbing proliferation of terrorist incidents involving increasing levels of violence. This proliferation attests to the inadequacy of conventional methods of prevention and to the intractability of many of the political situations that spawn terrorism. Canada has been fortunate in having experienced only a tiny fraction of one per cent of the total number of incidents perpetrated but is, on that account, less well prepared.

In his evidence to the committee, David Charters of the Centre for Conflict Studies at the University of New Brunswick defined political terrorism as

> the threat or use of violent criminal techniques, in concert with political and psychological actions by a clandestine armed political faction or group, whether government or non-government, with the aim of creating a climate of fear and uncertainty wherein the targeted opposition will be coerced or intimidated into conceding the terrorists some political advantage. (46:6)

Mr. Charters identified three principal categories of terrorism. State terrorism consists of violent repression of domestic or external opposition, and sometimes of selective illegal violence directed at individuals or groups perceived as threats to the state. Non-state terrorism is the weapon of groups that represent a cause rather than a government. Finally, state-sponsored terrorism refers to actions by a government to provide incentive and assistance to non-state terrorists in other countries. The most appalling dimension of most terrorist acts is that their tragic consequences are felt chiefly by private citizens who are, in effect, being used as instruments to publicize the terrorists' cause, to jolt governments, and to provoke shock, outrage, and a fervent desire to be rid of violence at almost any cost.

The challenge for democratic governments is to strike a balance. On one hand, it is important to combat terrorism. On the other hand, it is important to avoid exacerbating the menace by either adding to the spiral of violence or, in the zeal for prevention, threatening the privacy and liberty of their own citizens.

Terrorism emerges from a variety of motivations. Some terrorists are products of social upheaval and the alienation that results from it. These are desperate people who demand the world's attention for their grievances and whose fury will grow stronger if the sole response by governments is force. Others are well paid mercenaries, hired guns who stoke the fires of anarchy for its own sake. Terrorism also serves as the weapon of individuals who have been frustrated in achieving their purposes through democratic processes, or who seek simply to assert their own power and prestige. As one of our Vancouver witnesses, Dr. Alan Cunningham, observed, it is essential to "get past the idea of terrorism as simply a form of violence with nothing lying behind it", and it is important to remember that terrorism is normally rooted in political and social grievances. Such grievances are the reason that terrorists' objectives frequently enjoy widespread popular support and account for much of the difficulty of organizing worldwide resistance to terrorist acts. Terrorism is an abhorrent tactic for obtaining objectives, and no grievance, however valid, can justify its use.

Notwithstanding the difficulty of organizing a comprehensive response, the international community cannot tolerate wanton acts of violence that threaten the very basis of orderly relations between states. The Abu Nidal Palestinian faction offers a potent illustration of the danger. It is committed to creating turmoil in the Middle East precisely to undermine the voices of moderation and sabotage any hope of accommodation. State-sponsored terrorism, such as that practised by Libya, is another particularly insidious threat in that it brazenly flouts the accepted norms of international behaviour.

The committee has no magic solutions. The grievances that give rise to terrorism run too deep for any easy or speedy victories to be likely. We do believe that diplomacy, prevention, bringing terrorists to justice, and strict sanctions against them are essential instruments in the struggle. Canada should work towards an international convention on terrorism in order to gain the broadest possible acceptance of prescribed procedures for determining the source of terrorist attacks and the appropriate multilateral response. There should be criteria for judging the severity of the response and sanctions of various kinds applied according to a graduated scale.

Cutting off diplomatic relations with an offending state would have the combined effect of signalling extreme displeasure and closing the embassy of the state involved, thus ending the abuse of diplomatic privileges and immunities that facilitates international terrorism. Economic boycotts (refusing to buy materials) and embargoes (refusing to sell them) of the states that sponsor terrorism are other potential deterrents, as are the reduction or elimination of commercial air service to countries

known to support terrorism as an instrument of state policy. In the latter instance, the government should work towards a wider application of the Bonn Summit Declaration of 1978 which read, in part, as follows:

> ...in cases where a country refuses extradition or prosecution of those who have hijacked an aircraft... the heads of state and government are jointly resolved that their governments should take immediate action to cease all flights to that country.
>
> At the same time, their governments will initiate action to halt all incoming flights from that country or from any country by the airlines of the country concerned. The heads of state and government urge other governments to join them in this commitment.

Canada's *Prohibition of International Air Services Act*, which came into force in 1981, allows the Governor in Council to issue an order prohibiting Canadian air carriers from serving a state, and forbidding carriers from that state to fly over or land in Canada, if the secretary of state for external affairs certifies that the state is in default of its obligation to deal with hijackers or others who interfere with civil aviation. The government should seek to apply these penalties in other cases of terrorism. A renewed effort should also be made to gain the widest possible acceptance of these standards by other countries and international bodies.

Preventive measures such as the provision of accurate intelligence, improved physical and procedural security, and contingency planning are obviously also desirable. Though the exchange of intelligence and sharing of technical knowledge appear reasonably satisfactory, Canada needs more trained intelligence analysts. There is also a requirement to pay closer attention to the inflow of refugees. We regard it as essential that innocent refugees, who form the vast majority, be inconvenienced as little as possible. Nevertheless, there is grave danger of terrorist groups taking advantage of the sanctuary provided for legitimate refugees to establish a bridge head for their activities in Canada. Nevertheless, there is a grave danger of terrorist groups taking advantage of the sanctuary provided for legitimate refugees to establish a bridge-head in Canada for their activities. **The committee recommends increased stringency of control at Canadian entry and border points.** Stricter immigration and visa requirements and procedures in respect of nationals of states that sponsor or support terrorism are essential.

We also reviewed the question of security at Canadian airports. This task is currently put out for tender by private firms, which generally results in the lowest bidder, often with the least trained personnel, being given the contract. **We recommend that Transport Canada set and rigorously enforce minimum standards for airport security. We recommend further that if, after a trial period, private security firms remain deficient, the government consider accepting direct responsibility for all aspects of airport security, to be carried out by Transport Canada or by the RCMP on contract to Transport Canada.**

Information policy also assumes a vital role because publicity of the wrong kind can actually incite terrorism. We agree, however, that censorship would be neither helpful nor desirable. As Maurice Tugwell of the Centre for Conflict Studies told the committee:

> When there is an incident, it simply has to be reported as it is. If it were not, the countries which were not involved in this conspiracy of silence would publish it and, in the world of McLuhan, we would all hear about it anyway and it would then get distorted by the rumour mill and it would be ten times as damaging. (46:24)

Media coverage of terrorists' press conferences frequently plays right into their hands and can encourage further outrages. This point was made in a lecture delivered by Katherine Graham, Chairman of the Board of the Washington Post Company. As she put it, "There is a real danger that terrorists not only hijack airplanes and hostages but hijack the media as well."

Contingency planning for terrorist acts should include thorough discussions between security officials and the media. Leslie Green of the University of Alberta advised the committee that, as soon as an incident occurs, a single point of contact should be established for the media. "Establish something in the nature of a *cordon sanitaire* around an incident to keep the public—and that includes journalists—away from immediate contact," he recommended. (46:26)

When terrorist incidents occur in Canada, there is always the danger of one journalist or one media outlet breaking agreed ground rules, which puts everyone else at a disadvantage. For this reason, what is needed is a voluntary code of self-restraint to be adopted by Canadian journalists and media organizations. At the same time, there should be an undertaking from officials to make as much information available as possible.

The tragedies of the last few months have demonstrated that there is clearly a need for more concerted international action to deal with terrorism. The Tokyo summit of May 1986 decided on a number of specific measures but did not indicate a multilateral forum to organize joint action. **The committee's preferred approach to organizing international action on terrorism is to work through the United Nations and thereby engage the support of the entire world community. Canada could, for example, strive to get support for a UN Security Council resolution to deny countries harbouring terrorists the right to invoke their sovereignty to prevent international action.** Failing support for such a resolution—and, most important, support from the superpowers—most committee members believe that a consensus leading to decisive action could be obtained more readily within NATO, though some of us think it is a mistake to work through an exclusively western group of nations. The majority believes that there is merit in the suggestion of a NATO working group to develop international standards to combat terrorism and to co-ordinate responses when Alliance members face specific threats. A permanent mechanism of this kind might encourage those governments that have hitherto been somewhat reluctant to participate in joint multilateral action to keep pace with their NATO partners. At the same time, the prospect of a joint response should reduce the risk of unilateral action on the part of any single NATO country.

CHAPTER SIX

Expanding International Trade

Conditions that have contributed to the growth of the Canadian economy since the Second World War are changing, and Canada must adapt if it is to maintain current levels of prosperity. Canada has already lost some ground in this respect. The present incomes of most Canadians are still satisfactory, but there are looming problems that all participants in the economy must understand and tackle together.

One of the highest priorities is to make the Canadian economy more competitive internationally. The committee is concerned about competitiveness not for its own sake but because it is essential to the growth and development of the economy and to increased income and employment. Competitiveness is not just a measure of Canada's ability to sell abroad. Rather, it is a measure of a nation's ability to produce goods and services that can be sold internationally while simultaneously maintaining and improving living standards and employment opportunities. Although discussions of competitiveness often focus on improving the efficiency of manufacturing industries, the need to use resources productively also applies to the raw materials and service industries. Canadian prosperity can be achieved only by maintaining a broad and diverse industrial base, with many industries achieving high levels of productivity.

Canada's economy is unique among those of industrialized countries. This is reflected in the composition of its trade and the direction of its exports. It is a major exporter of both raw materials and manufactured goods. While Canada is a major trading nation, the growth in trade in manufactured goods has taken place largely with the United States, which now takes over 78 per cent of all Canadian exports. A high proportion of trade with other industrial states continues to be in raw materials, semi-processed goods and food products; in Canada's trade with Japan, for example, these categories constitute 96 per cent of the total. Compared to other industrialized countries, which have more than one-third of their trade with Third World countries, less than 10 per cent of Canada's trade is with these countries, and some of this is financed with Canadian aid.

Trade flows have changed significantly in just one generation. Attempts by government to influence the course of developments, notably the effort to restore trade with Britain in the late 1950s and the Third Option of the 1970s, have had little effect; market forces have been a main determinant of change. Moreover, the rapid growth of multinational corporations has made global production more specialized and important internationally, as evidenced by the increasing proportion of trade carried on by

different subsidiaries of the same corporation. This suggests the importance of interpreting future trends correctly and trying to make them work to Canada's advantage.

The traditional economic landscape is undergoing structural changes and shifts, both within and between nations, that have yet to be fully recognized or understood. Many companies, especially in traditional industrial sectors, are establishing new production locations, often in advanced Third World countries that have highly trained, disciplined labour forces and lower wage rates, the latter often as a result of limited workplace safety laws, use of child labour, weak or non-existent trade unions, and other advantages apart from labour costs. In effect, many of these countries enjoy a competitive advantage in producing goods in large volume. At the same time, the industrialized countries have entered what has been called the post-industrial stage of economic development—where information, knowledge and service industries are increasingly important. As Lynn Mytelka of the Carleton University School of International Affairs told us,

> In advanced industrial countries, we are moving rapidly toward a knowledge-based production system in which the accumulation and appropriation of knowledge is at the heart of the production process and its profitability. (23:11)

The new technologies emerging from a knowledge-based production system are beginning to have an impact throughout the economy, a point made by the International Business Council of Canada.

> We have moved beyond the stage at which microelectronics was limited to a few high-tech industries. The automation of all industries, in the factories and the offices, is very much upon us.(2)

Greater specialization has led to increases in the amount of trade within industry sectors. Further, countries are competing more intensely among themselves in exporting manufactured products. **We believe that the government and its foreign trade officers should be well grounded in the areas where trade is growing rapidly, particularly the high technology and services sectors.**

Canada faces a particular problem. It finds itself no longer able to rely on its natural resource exports to the extent that it has since Confederation. More recently, some of the resource mega-projects that were heralded as engines of growth have lost their economic viability. The combination of several factors—growth in production of raw materials in Third World countries, depletion of the most accessible ore bodies and forests in Canada, greatly increased and highly subsidized agricultural production by the European Communities and the United States, and the depressed state of the world economy—has caused a decline in demand for most of Canada's natural resource exports.

Although Canadian producers have succeeded in lowering their costs and improving their standing in world markets, dramatic improvements in the natural resource sector are difficult to anticipate. Where then should government place its emphasis? One view is that highest priority should go to specialization in trade, the encouragement of technological innovation, more processing of natural resources and more production of machinery and equipment for the natural resource sector, and export development. According to this view Canada can sell successfully in world markets only if it carves out niches based on dominance in the corresponding fields in the domestic market.

Another view is that an open trade policy is of the first importance. The government should start with a three-part program: increased liberalization of international trade, the creation of a domestic environment favourable to competitiveness, and specific measures to promote and develop exports. In any event, government action will have to be combined with a sustained effort of salesmanship on the part of Canadian exporters to enable them to penetrate new international markets.

Trade Liberalization

Improving Canada's ability to compete effectively in a rapidly changing and increasingly tough world economic environment depends to a large degree on open international trade. In many industries, the domestic market is too small to permit optimum plant size and product specialization, so specialization is accomplished through trade. The post-war pursuit of trade liberalization has had two effects on Canadian competitiveness. Gaining access to larger markets has permitted companies to achieve economies of scale, specialization and other benefits and has stimulated greater efficiency in the Canadian economy by exposing it to foreign competition. Particularly between 1979 and 1984, even before Canada undertook its bilateral initiative with the United States, it was apparent that Canadian companies were reorganizing to make themselves more competitive internationally.

Not all countries share Canada's belief in and commitment to an open world trading system. The recent depression and subsequent uncertain and uneven recovery in the world economy have created fertile ground for protectionism. All governments have found it difficult to resist adopting restrictive import measures, and few have been willing even to consider removing existing barriers to trade. The proliferation of protectionist measures has also created a climate where many countries feel justified in taking aggressive action to promote their exports, further aggravating an already bad situation.

Canada can only lose by introducing retaliatory protectionist measures, but it cannot stand by and do nothing. With a modest and dispersed population, Canada must have access to the markets of the world and be able to sell in these markets if it is to prosper. For this reason, **the committee recommends that the government make strenuous efforts to achieve orderly and balanced trade liberalization.**

The international trading system and the GATT (General Agreement on Tariffs and Trade) have provided a remarkably successful defence against the onslaught of protectionist forces. But human ingenuity is great, and governments, Canada's included, have devised all manner of non-tariff barriers to circumvent the GATT and block imports.

It is difficult, even for the most powerful countries, to fight each protectionist move separately. The only effective way is for the world trading community to get together and work out new rules for their mutual protection. This process is never easy. As world trade has grown in scale and the number of countries participating in international commerce has increased, the task has become progressively more difficult. Since the GATT ministerial meeting of November 1982 first agreed in principle to the idea of a new round of multilateral trade negotiations, it has taken four years to get the main trading nations to agree to participate—and their acceptance has been reluctant at best.

One of the reasons for the difficulty in launching a new GATT round has been disagreements about what issues should be included on the agenda for discussion and

negotiation. It is certainly in Canada's interest to focus GATT discussions on agricultural trade and, in particular, on the use of subsidies to promote agricultural exports. Tighter and fairer rules are needed to govern subsidies in general on the one hand and, on the other, countervailing and anti-dumping actions, which are being undertaken with increasing frequency and make long-range planning exceedingly difficult for Canadian exporters. Government procurement policies have proven frequently to be a stumbling block to trade and should be re-examined. Canada would benefit, on balance, from strengthened GATT procedures for settling trade disputes. It should also want to see the more advanced developing countries, which no longer require special treatment, fully integrated into the world trading system. It is evident that the forthcoming GATT round will not be primarily a tariff-cutting exercise but rather will focus on a wide range of non-tariff barriers.

The committee believes it is important to begin a new round of multilateral trade negotiations as expeditiously as possible. The GATT has served Canadian interests well for 40 years. Successive Canadian governments have been active participants in the various negotiating rounds conducted under its auspices. The success of the GATT in building a system of rules and regulations to guide the conduct of trade has provided Canada with the certainty and predictability its economy needs. The GATT negotiating process may be slow and tedious, but its advantage is that countries are less likely to institute protectionist measures while negotiations are in progress.

Canada has been a traditional supporter of the GATT. The organization has a good record in furthering trade liberalization, which is in Canada's interest. And Canadians have always felt more at ease negotiating in a multilateral environment, where they can seek out like-minded allies to work with. However, the traditional negotiating process of the GATT is changing, and Canada must take note of its implications. With the development of the enlarged European Communities, now comprising 12 nations, there is a tendency in GATT negotiations for the major trading blocs or powers—the United States, Japan and the European Communities—to work out deals between themselves and offer them to other states on a take it or leave it basis. There is no alternative to the GATT as a forum for multilateral trade policy negotiations, and Canada must be alert to ensure that the opportunities to make common cause with like-minded states do not diminish.

Another difficulty with the GATT process is that it moves slowly. The last GATT round, known as the Tokyo Round, took six years to negotiate and eight years to implement. If the next round, which will be the most complex and difficult yet undertaken, lasts a comparable length of time, the resulting agreement will not be implemented fully until the next century. Nor is it certain that issues of special interest to Canada, such as the use of subsidies in agricultural trade, will even be on the agenda. These considerations worry us, because we do not think Canada can risk such a delay, especially when a successful outcome cannot be taken for granted.

As we discussed in our interim report, these factors persuaded the government that it was necessary to explore the possibility of negotiating freer trade arrangements with the United States. Canada's economic well-being depends on continuing access to the U.S. market, an access that has been increasingly threatened by protectionist forces working through the U.S. Congress. Recent trade actions on the part of the United States have lent substance to this protectionist threat.

The committee cannot anticipate whether it will prove possible for Canadian and U.S. negotiators to arrive at an agreement acceptable to both parties. However, we do think **it is essential that any agreement between Canada and the United States be**

entirely consistent with the obligations of both countries to the GATT. To do this, the GATT should be notified of the terms of any agreement reached, and a GATT working party would be established to examine the consistency of that agreement with GATT obligations.

If these conditions were adhered to, there would be no reason to regard the prospective GATT round and the bilateral discussions with the United States as mutually exclusive. Certain aspects of the discussions, particularly if they broke new ground, might serve as an illustrative model for similar discussions that will occur within the larger GATT context. On the other hand, there are other important issues affecting both countries that can be dealt with only in a multilateral forum. In particular, the special needs and problems of developing countries will require greater attention in the near future. (For example, the Multi-Fibre Arrangement is due for negotiation this year. We discuss this in greater detail in Chapter 7.) **We note that the successful completion of negotiations between Canada and the United States would address only a portion of the international trade issues facing Canada.** For instance, Europe remains a significant market, while the countries of the Pacific region offer attractive new opportunities. It is also important to pursue trade with developing countries.

Improving Competitiveness

Removing trade barriers is one aspect of improving the competitiveness of the Canadian economy. However, access to foreign markets alone cannot make or keep the economy competitive. How the government directs its monetary, fiscal and exchange rate policies, investment and competition policies, and transportation and manpower policies is likely to have a much more substantial effect on competitiveness. We believe that it is also important not to lose sight of the role played by the private sector, both management and labour, and to understand what the private sector can do that government cannot.

If Canada is going to compete with the large countries of the West and the vibrant economies of the Pacific, it will have to lead from its strengths. That such strengths exist might be doubted, given the difficulties confronting Canada's resource industries and the well known disabilities of the manufacturing sector. Does the experience of Canadian firms abroad provide any basis for optimism? If so, what kinds of Canadian enterprises appear to have a future internationally? What niches can be developed for future success?

Some Canadian manufacturing companies are making considerable headway in international markets, and it is possible to identify the characteristics that account for this success. According to studies by D.J. Daly and D.C. McCharles, the real dynamism is to be found in small Canadian-owned businesses. These firms, typically with fewer than 400 employees, have identified niches in export markets that match their expertise and that have been overlooked by large companies. The committee heard about two companies that are striking illustrations of this point. One company is successfully exporting kitchen garbage pails to Japan. (54:10) Another example is a Regina company that is manufacturing chopsticks so successfully that it will soon be exporting them to China. (56:79) Such companies have benefited from being alert to new opportunities, and by reaping the rewards of specialization and longer production runs, many of them tended to do well even in the recession of the early 1980s. **We call upon the government to recognize the export potential of Canada's small and medium-**

sized businesses and to take account of this potential in designing and implementing its export marketing strategies.

The entrepreneurial instincts of these companies are clearly evident in all aspects of their operations. They have understood that it is necessary not just to master the hardware of new technology but to integrate it successfully into their managerial and manufacturing processes. They are also more actively interested in management and worker training than most Canadian companies. They have often adopted participatory management styles, and their workers exhibit high morale and high motivation.

The fact that some Canadian manufacturers are enjoying remarkable success in penetrating international markets should be viewed in conjunction with the equally remarkable increase of direct investment by Canadian manufacturing companies abroad. The amount of direct investment by these companies is approaching one-half that of foreign companies in Canada. There are undoubtedly a host of explanations for this, and it can certainly be interpreted as further heartening evidence of the development of the manufacturing sector. More sobering is the finding that a large number of the successful exporters are seriously considering launching their next round of expansion outside Canada to escape what they consider to be an unfavourable environment for investment. The aspects of the environment that concern them include overregulation, high wage rates, hostility between labour and management, and a corporate profits tax system that does not permit the internal cash flow they need. **We recognize that a number of features of the domestic environment hamper Canadian exporters and recommend that these be addressed in any future trade policy.**

Larger Canadian companies could take a leaf from the small firms' book. By comparison with their competitors in other countries, they have tended to adopt new technologies much more slowly, both on the managerial side and in the engineering and science side of the business. In recent years, some companies have been diverted from their main tasks by a preoccupation with large-scale take-overs. Canadian firms must now operate in an environment that is increasingly competitive because of the rapidity of technological progress and successive rounds of trade liberalization. The key to their future success in export markets will be specialization. To achieve it, their management will have to be more responsive and adaptable to the international environment than they have been historically.

The government must also attempt to work with private sector management and labour to plan effective strategies that emphasize the importance of export success and keeping abreast of technological change. Maintaining the appropriate balance between flexibility and detailed planning is one of the most perplexing issues facing governments. The committee discussed several approaches, ranging from allowing the free play of market forces to co-operating closely in setting goals and planning strategies for each sector.

We believe that government has an important task to perform in pursuing competitiveness. While government cannot legislate competitive success, it does have a legitimate role in creating an environment where human, capital and technological resources can be used to the full. This requires helping markets work better so that there are benefits for the whole economy. Another responsibility is to assist the humane and equitable transition of human and financial resources from uncompetitive to competitive industrial sectors. Macro-economic policies must be devised to maintain steadier long-term economic growth with stable inflation rates and lower unemployment. Furthermore, regulatory agencies must be sensitive to the effects of their policies on the competitiveness of companies.

As an example of what the government could do to improve the environment for business enterprise, there is a need for resources to permit the speedier adaptation of new technology. Small businesses could grow and develop and hire more people if they could be helped to buy patents. If past experience is a guide, a number of businesses could be expected to improve upon the ideas and processes thus made available to them. At present government assistance to purchase patents is available under conditions that are defined too narrowly. **We therefore recommend that the government take whatever action is necessary to ensure that the purchase of patents and the marketing of patents abroad can be financed under the *Small Business Loans Act* or that the necessary changes are made in the Industrial and Regional Development Program.**

The government should also consider establishing an export financing institution with a mandate aimed specifically at the needs of small business. The financing offered by the Export Development Corporation is directed to a small number of large corporations; as a result, small businesses have minimal access. **The structure and attitudes of the Export Development Corporation (EDC) are too often remote from those of small business, and this gap is difficult to bridge. To change the corporate culture of EDC to be more responsive to small business would require a significant change in outlook and operations at EDC, and there is no guarantee that it could be accomplished effectively. To develop more fully the export potential of small business, the government should consider establishing a small business export financing agency. The private sector financial institutions should also become more involved in small business export financing and should be closely associated with the new agency.**

Detailed sector-by-sector planning would be unlikely to succeed in a rapidly changing economy. The government can, however, assist in shaping an environment favourable to research and development and technological innovation, the process whereby technology is generated, developed and applied to an actual product. Harold Crookell of the School of Business Administration, University of Western Ontario, gave the committee an indication of what this would involve.

> I think Canada could do a great deal to improve the climate for innovation in the country. The kinds of things they could do would include greater respect for patent regulations and stimulating two-way flows of technology from other countries, rather than isolating ourselves from them—a new competition policy that emphasizes international competitiveness rather than worrying excessively about competition within Canada, and allows joint research and development between firms so that they are not subject to anti-trust regulations when they merge their research and development plans. (54:18)

There are other views of how government action can improve Canada's technological performance. One explanation of Canada's problems in this area is that they result in the main from high levels of foreign ownership in the Canadian economy. As the Council of Canadians told the committee,

> This single factor of foreign economic control has a massive influence on our capacity for multinational trade outside North America, and it limits our exports, inhibits our entrepreneurial development and reduces R and D and productivity. (43:36)

According to a minority of committee members, it follows from this diagnosis that government should ensure that foreign-controlled subsidiaries locate more research and development in Canada and become more export-oriented; should help develop Canadian-controlled firms in targeted sectors; and should enact tougher legislation to prevent foreign corporate take-overs in strategic high-technology sectors. The majority of the committee, however, favours an alternative diagnosis. This view was stated by the

Senate Standing Committee on Foreign Affairs, which examined Canada's technological performance as part of its study of Canada-U.S. relations:

> The committee concluded that there is an essential ingredient which such firms look for before they commit money to R and D. Market size is the critical factor. In every instance the committee examined of private firms that engage in significant R and D expenditures, they had access to a market larger than that which Canada alone offers. (*Canada-U.S. Relations*, Volume III, 1982:80)

Most of us believe that trade liberalization, which will allow access to a larger market, offers an attractive instrument for improving Canada's technological performance.

Improving Canada's competitiveness is not only the government's responsibility. Much of what needs to be done rests with the private sector, as productivity is the responsibility of management and labour. Management has been accused of taking a short-term view and not being aggressive enough in foreign markets. These attitudes must be changed if Canada is to be competitive internationally. Management must continue to seek innovation and the application of new technology. Management must also realize that a firm's most important assets are people and strive to enhance the quality of its workers through training. In addition, management will get a greater return by strengthening employee incentives through compensation and equity ownership plans that increase the workers' stake in the firm's success. Labour for its part must be prepared to adopt a new flexibility towards retraining in the face of changes in the economy and technological change. At the same time, labour and management must adopt a more team-oriented approach as a key to improving productivity.

We want to draw particular attention to the importance of acquiring the benefits of technology developed abroad. The relatively small size of the Canadian economy makes adapting technologies developed abroad as important as creating new technologies. In this regard, investment in Canada by foreign companies represents an important conduit for diffusing technologies and innovations developed elsewhere that have export potential. However, the government has to promote the transfer of this information about products and processes to the economy as a whole by encouraging licensing and joint ventures, especially by small and medium-sized businesses. The government can assist the process of technological diffusion by adding to the scientific and technological capabilities of the Department of External Affairs. We think the Department should build on the useful efforts already begun to make embassies abroad better able to assess foreign technological innovations that might be used by Canadian industry.

As we have seen, an important element of competitiveness consists in being quick to take advantage of changing patterns of world trade caused by such developments as changes in consumer preferences, technological innovation or new trading arrangements. This means accelerating the process whereby labour and capital move from decaying sectors of the economy to advancing sectors where they can earn a higher return.

It must be recognized, however, that some jobs that have been lost may never reappear. Some firms may not be able to adapt their products fast enough or completely enough to avoid bankruptcy. Some communities may be particularly hard hit, especially if they are single-industry communities. The workers, firms and communities in the decaying sectors will bear the costs of this process, which in turn will lead them to do everything in their power to slow it down. Most labour

displacement can be handled by normal market forces and the individuals involved; however, when long-term structural shifts in the economy result in the permanent displacement of workers, policies must be devised that will remove barriers to adjustment and ease the transition. We want to emphasize that if government fails to come to terms with the consequences of dislocation it will be contributing to a much greater problem that will sap the energies of the economy.

Canada has had a great deal of experience with adjustment policies but not a great deal of success. Over the years governments have tried a broad range of policies to assist declining firms, industries and regions. Programs have included grants, loans, investment tax credits, early retirement plans, and special unemployment compensation; government has also taken over some of these firms to protect employment. Based on this experience it is possible to outline certain principles that should underlie the next generation of policies.

First, adjustment policies must facilitate rather than impede the adjustment process. There is a serious danger that programs intended to modernize and restructure industries become instead a means of keeping them alive and postponing either needed improvements or a decision to close down. It has to be acknowledged that some adjustment strategies have led to a waste of taxpayers' money; it would have been cheaper and less painful for all concerned if the government had not intervened massively. Firms should be given temporary relief only on condition that they improve their competitiveness within a specified period. Some companies, such as Electrohome Ltd., have in fact been motivated to carry out successful restructuring because it was understood clearly that government assistance would be available for only a limited time. A restructuring policy that allows a company to move from one sector to another can also be successful but may often require long-term government assistance. Long-term assistance may also be necessary where the situation is particularly complex or there are few alternatives.

Second, transition programs should be directed primarily towards helping workers obtain new employment. Workers should be encouraged to undertake retraining. Assistance should be made available to them because the present educational system is not equipped to handle adults already in the labour force, and individual firms tend to be reluctant to engage in retraining because of its cost. In addition, displaced workers will need income support during the retraining period and possibly help in relocating.

We want to place particular emphasis on how a comprehensive program of adjustment assistance can support trade policy. Policies to smooth the adjustment process must be in place so as to maintain the confidence of all participants in the direction the economy is taking and encourage a willingness to confront change.

Export Development and Promotion

An effective export promotion policy that helps Canadian exporters capitalize on the trading opportunities available to them makes provision for three types of assistance: assistance with regard to market information and opportunities, assistance from the Trade Commissioner Service, and financial assistance.

Canadian business needs information about market opportunities abroad. This is especially true for small and medium-sized businesses that are reluctant to venture beyond a few foreign markets in the United States or Western Europe—whether because of insufficient knowledge of opportunities abroad, a relatively small sales force,

or simple timidity. Just collecting market information is not enough; it is useless unless it is disseminated as widely as possible by such means as seminars, publications and electronic databases that can be accessed easily and are updated continuously. There is no reason why dissemination should be strictly a government responsibility. The private sectors in West Germany and Hong Kong have devised successful ways to spread market opportunity information to potential exporters. Major private sector business organizations like the Canadian Chamber of Commerce, the Canadian Export Association and the Canadian Manufacturers' Association have already developed systems for distributing various types of information to their members, and these arrangements could be amplified and extended. If there were more direct agents of Canadian freight forwarding companies abroad, they could serve as a useful network for collecting and disseminating large quantities of market information. **The committee believes the private sector should be encouraged to work with the government in disseminating information about foreign market opportunities.**

The committee is aware that thousands of Canadians who travel abroad see opportunities for enhanced Canadian trade. Business people who travel on trade missions for their own companies or industries have commented that they often see opportunities for enhanced trade in other industries. While they usually do not have the time or the capacity to pursue these ideas, many would like to pass the information on to others who might be able to translate it into sales. To help structure and respond to this hidden potential, the committee suggests a Canadian trade opportunities hotline. A telephone number for the hotline could be included in the customs information pamphlets that are distributed regularly to airline passengers. **The committee recommends establishment of a trade opportunities hotline.**

The Trade Commissioner Service has a well established reputation for helping Canadian companies make sales abroad. The range of its activities includes identifying new market opportunities, introducing Canadian firms to potential buyers, help in finding a local agent, and preparing economic and commercial reports. The business community is concerned that the absorption of the Trade Commissioner Service into the enlarged Department of External Affairs may result in trade commissioners being gradually transformed into foreign service generalists. Although we were given no evidence that this is a major problem, it is a risk, and it will be important to maintain a separate stream of specialized trade commissioners.

A second concern of the private sector relates to the geographical distribution of trade commissioners. **We agree with witnesses who told us that trade commissioners are needed most in countries where there are substantial market opportunities and where their assistance can help exporters overcome cultural and language differences. We therefore recommend that more trade commissioners be allocated to the Asia-Pacific region, if necessary by reducing the number allocated to Europe.** The committee anticipates that the recently announced opening of trade offices in Shanghai, Osaka and Bombay will go some way to meeting the need.

The third area of export development is market assistance. Witnesses from the business community spoke favourably of the Program for Export Market Development (PEMD) which offsets some of the costs of developing new markets. During a time of budgetary restraint, **we believe the Program for Export Market Development should be maintained and that special efforts should be made to extend its coverage to the engineering, consulting, and service industry firms that now find it difficult to qualify for PEMD assistance.**

The most important form of direct export financing is provided by the Export Development Corporation. Direct export financing involves less than five per cent of Canada's exports. It should be pointed out that export financing is only one aspect in winning or losing an export order. Price, quality, ability to deliver, dependability and reputation of the firm, knowledge of the market, willingness to provide service support, and ability to transfer technology through licensing, joint ventures and direct investment are all important considerations and are the responsibility of companies. While export financing is not a major factor in trade among industrialized countries, it is important for projects in the Third World or Eastern Europe where countries are constrained by insufficient domestic savings rates, low foreign exchange reserves, and limited access to private financial markets.

International competition for export markets is increasing. **We believe that if Canada wants to maintain and expand its share of export markets, the government must provide Canadian exporters with export financing programs that are competitive with those offered by other countries.** Canada faces a special difficulty because of its high domestic rates of interest compared to those in other major exporting nations like Japan and West Germany. On top of this, several countries, notably France, support their exports with generous export financing, and subsidized rate wars occur periodically. An effort has been made through the Organization for Economic Co-operation and Development to set limits on the level of subsidization, but witnesses from the Canadian business community told us they are still at a disadvantage internationally. Export financing is a costly undertaking, and Canada is not in a position to match the treasuries of larger nations. However, as the Canadian Chamber of Commerce pointed out,

> While we may be unhappy with the expansion of subsidized export financing in the world, if we are going to be in the game, we have to recognize reality and provide competitive financing packages.(12)

A related question is what can be done to increase trade with developing countries. Canada conducts a much lower percentage of its trade with developing countries than do all other industrialized countries. There are historical and structural reasons for this discrepancy. Canada lacks the colonial and trading companies links with developing countries that some European competitors have. As a resource-based economy, Canada is in competition with the developing countries with respect to certain products. Finally, Canada lacks the industrial depth of economies like that of the United States and cannot so easily offer turn-key sales arrangements. Some Canadian firms are moving aggressively to fill this gap.

Before considering what might be done to promote Canadian sales to the Third World, we have to mention the debt burdens of most of these countries (although we discuss this issue in depth in Chapter 7). There is a direct relationship between the debts of Third World countries and Canada's trade. Put simply, they cannot afford to buy Canadian exports when so much of their money is devoted to repaying interest and principal. **One way to ease their foreign exchange problem would be to remove some of the barriers that restrict their exports to Canada. A second way is countertrade.** Also known as bartering, countertrade refers to transactions where the seller of a product receives other products in exchange rather than money. Canadian exporters have not had much experience with countertrade, primarily because of the relatively small volume of trade between Canada and developing countries. However, given that foreign exchange is likely to be scarce in many developing countries for some time into the future, Canadian exporters will need to become more familiar with the practice. The government can assist Canadian companies by serving as a focal point for collecting and disseminating information about countertrade opportunities and developments.

In considering Canadian exports to developing countries, it is also important to remember their diversity in terms of economic development. Countries like South Korea, Singapore, Brazil and Argentina, which are playing a growing role in the world economy, are targets of opportunity. At the other extreme are the world's poorest countries, which cannot do without official development assistance grants.

In the middle, however, are countries like India, China and Algeria, which have considerable economic potential but also face serious and persistent problems. Canada has been at a disadvantage in these markets because competitors are prepared to offer a sufficiently wide range of *crédit-mixte* financing—that is, a mix of commercial and concessional financing—in order to win contracts. The terms are more attractive than Canada can offer, and as a result other countries are awarded the contracts. Canada has never felt at ease mixing trade and aid because development objectives do not always fit well with commercial objectives. For instance, CIDA's mandate requires it to focus on the poorest of the developing countries, while commercial objectives would favour projects in the higher-income developing countries. Currently, CIDA and the Export Development Corporation provide mechanisms through which concessional financing is made available to Canadian exporters. The most recent federal budget cancelled CIDA's aid-trade facility, which would have set aside a certain volume of funds from increases in the aid program to be used to support development projects of interest to Canadian firms in developing countries.

We understand the reasons for trying to ensure that aid funds are not used in ways that reduce their effectiveness, especially during a time of restraint. However, Canada is losing important sales opportunities in major Third World markets because it is not willing to mix commercial and concessional financing to the same degree that many of its competitors do. In this regard, **the committee recommends that the government continue to review concessional export financing to ensure that Canadian exporters are not operating at a competitive disadvantage because of the financing practices of other countries.**

The increasing role of provincial governments in export promotion and development was also evident to the committee. Several provinces have established trade offices abroad, and it is increasingly common for provincial governments to sponsor trade missions as a way of identifying potential export markets. We regard this increased export promotion activity by other levels of government as an important new development that undoubtedly benefits Canadian exports. However, the trade missions being sent abroad are not co-ordinated in any way; this has led to some duplication of efforts. In addition, some confusion is created in the recipient countries because most are unitary states and may not grasp how trade promotion is handled in a federal state. **We believe that federal and provincial governments should co-ordinate their trade promotion activities better. An example of this type of co-operation and co-ordination already exists in an agreement between Quebec and the federal government with respect to immigration whereby the province places its officials in certain embassies on a cost-sharing basis. Provincial activities are co-ordinated with federal interests, although the officials are still responsible to their own government. The committee recommends that similar agreements and arrangements be concluded between federal and provincial governments with respect to trade promotion and development.**

We are enthusiastic about using municipal trade missions, cultural and educational exchanges, and twinning arrangements as building blocks for developing trade relations. Bringing together groups of business people and officials from a Canadian city with their counterparts from a foreign city is an excellent means of triggering intensely practical discussions, partly because the delegates on each side are

accustomed to doing business among themselves and are in a position to join forces in putting together package deals. Important areas of concern, such as municipal transit services and educational services, are opened up, together with opportunities for small and medium-sized businesses, which are not usually represented on higher profile international trade missions.

Twinning has long been regarded as an integral part of the trade strategies of Japanese cities. Canadian municipalities, however, are relative newcomers to export promotion and development and have tended to view twinning as a public relations gesture. There are encouraging signs of a change in attitude. The highly successful trade mission sent recently by the city of Toronto to Chongqing, China, with which Toronto is twinned, has given momentum to the awakening of Canadian cities to intriguing new commercial opportunities. **We are convinced that the most significant trade links are forged at the level where agreements to do business can be concluded. We believe that city-to-city ties are a dimension of international trade relations that offers exciting potential and should be pursued energetically.**

Although the Canadian economy is among the most open in the world and Canadians are successful exporters, there is a need to develop more aggressive traders in order to compete in the future. The level of economic literacy, especially with regard to exporting, is going to have to be increased. One way to accomplish this is to encourage secondary and post-secondary institutions to develop programs to train more young people in the various aspects of international trade. More important, however, is the need for corporations to hire young people and encourage them to develop international business experience by sending them abroad to work in foreign affiliates or subsidiaries. In particular, **companies that are awarded large contracts abroad and have received government assistance should employ a few recent graduates with the aim of building up the companies' and the country's supply of people with international business experience. For its part, the government should facilitate the compilation of a catalogue of opportunities for young Canadians to work abroad. There is an untapped supply of young people interested in such employment. The experience of working in a foreign country might well lead young Canadians to seek careers in international business and trade and help to build the foundation for a more aggressive approach to trade.**

Trade Diversification

Any discussion of export development policies leads naturally to the question of what markets are most promising. **The committee believes that the Asia-Pacific region has emerged as one area that deserves greater public and private efforts.** In the 15 years since the last foreign policy review, economic growth in the countries of Asia and the Pacific has surpassed the performance of the world as a whole. The region is becoming a major centre of world economic activity. Canada, as a Pacific nation, is slowly beginning to recognize the importance of this region. In the words of one witness, Jan Walls of the Asia Pacific Foundation of Canada,

> the Eurocentric world view held traditionally by Canadians will be expanded into a well-rounded world view by giving Asia and the Pacific a somewhat larger share of their attention. (51:55)

Canadians may not be fully aware of the extent of our links with this region, but a few statistics indicate how these relations have expanded. In 1982, for the first time, Canada's two-way trade over the Pacific Ocean was greater than its trade across the

Atlantic Ocean with Western Europe. A decade ago, immigration from the Pacific region surpassed that from Europe. This trend is unlikely to be reversed. One of the most important changes that has taken place in the international trading system has been the rise of several strong trading countries in the Asia-Pacific region. While the achievements of Japan and South Korea are widely known, it is not generally appreciated that India is now the ninth largest manufacturing country in the world and that Taiwan is Canada's third largest trading partner in the Pacific region.

The committee believes the region deserves greater Canadian recognition and concentration, but export success will depend upon developing different techniques and attitudes than are used in the traditional and more familiar markets of the United States and Western Europe. First, the cultures and languages represent a major challenge to Canadian exporters. In particular, the importance of personal connections cannot be underestimated because businesses in this region expect more personal service than their counterparts in North America. Second, it is costly to develop business contacts because travel is expensive and several trips may be needed to conclude a transaction. Third, Canada is a relative latecomer to recognizing the potential of the region. Combined with Canada's lack of historical ties, this means Canadian companies have to be prepared to face intense competition to win contracts.

If Canada is to be successful in the Asia-Pacific region it will need to employ a layered approach to market development. One layer will consist of Canadian firms building all-important personal connections with potential Asian-Pacific customers. To be successful corporations will have to hire people already familiar with the languages and cultures or implement training programs to develop these skills. The increasing number of immigrants coming to Canada from the countries of the region represent an untapped reservoir of skills. They and their children tend to be well educated professionals or experienced business people who maintain their connections with their home countries. For example, several Canadians of Chinese origin participated in the city of Toronto trade mission to Chongqing and proved enormously useful in helping the participants make valuable contacts. In a similar position are the foreign students from these countries attending Canadian universities. **Both groups could be used to promote trading links between Canada and the Asia-Pacific region by combining their first-hand experience of Canadian products and abilities with their connections in the region.**

A second layer will consist of the federal government working closely with Canadian companies to develop trading links with Asia-Pacific countries. This will mean providing competitive export financing as well as government marketing support based on the efforts of trade commissioners, ambassadors and occasional visits by ministers. The recent prime ministerial visit to several countries in the region was beneficial in raising Canada's profile in there. A Canadian trade strategy will have to recognize that the close relationship between business and government in these societies requires more co-operation between Canadian government officials, business leaders and business organizations.

Although it is essential to build an economic and political relationship, a third layer, based on cultural ties will be needed to put the relationship on a solid long-term footing. It is important to increase the mutual awareness of the diverse cultures surrounding the Pacific Ocean. This involves the development of personal contacts through exchange programs for students and adults from different backgrounds. There must also be broader dissemination of knowledge about these societies through educational programs and information services for business, the media and other interested people. The committee heard from the vice-president for academic and

cultural affairs of the newly established Asia Pacific Foundation and believes the Foundation is capable of fulfilling these needs, complementing the activities of other organizations (for example, the even newer Asia Pacific Business Institute and the Canadian Committee of the Pacific Basin Economic Council) and stimulating activity in areas as yet untouched. The Foundation will be able to fulfil its objectives in a fashion similar to the Australia-Japan Foundation, which has proven to be a model of how to heighten cultural understanding between nations. We hope, however, that it will put its energy and resources at the service of local initiatives and avoid the pitfalls of programs that are too abstract and general to come to grips with the practical issues in the relations between Canada and Asia.

More native-born Canadians should be familiar with cultures and languages of the Far East. It was suggested to the committee that young Canadians could be sent abroad to teach English in appropriate Asian countries. Japan and other non-English speaking countries in the region are interested in increasing their knowledge of English but face a shortage of teachers. Canadians are in demand to teach English as a second language because they are considered to have a 'neutral' accent. **The committee urges the government to establish a program with Japan and other appropriate Asian countries to enable Canadian university graduate volunteers to teach English there.** A similar program has enabled Canadians to teach English in France since the end of World War II, and this could be a model for the program. The presence of Canadian teachers in these countries would increase awareness of Canada in a part of the world where it is not well known. More important, on their return to Canada, the volunteers should have developed language skills, local knowledge and perhaps even personal connections that would make them attractive employees for companies interested in developing commercial relations.

The absence of connections is not the only obstacle faced by Canadian companies in the Asia-Pacific region. Most of these countries have an impression of Canada as a giant quarry or a massive granary and do not appreciate its industrial and technological achievements. While recognizing the importance of agricultural and mineral resources, the committee believes there is a broad spectrum of opportunities for Canadian companies in the region, ranging from electronic goods to engineering to banking. Improving the visibility of Canadian expertise in the Asia-Pacific region is important and will require greater efforts and co-ordination by governments, companies and business associations.

In the dynamic and rapidly changing Asia-Pacific region there are several targets of opportunity. Japan must head the list, being by far Canada's largest trading partner in the region. There remain hurdles to overcome in selling manufactured exports to Japan, but the newest challenge is for Canadian companies to penetrate the burgeoning Japanese market for services. Korea, Canada's second largest overall trading partner in the region, has scored a great success in the Canadian market with the Hyundai *Pony*, and bilateral investment and trade between the two countries will likely increase in importance. Although the six countries of the Association of South East Asian Nations (ASEAN)—Indonesia, the Philippines, Malaysia, Singapore, Brunei and Thailand—have recently suffered some reverses, the potential for expanded trade with them must also be regarded as considerable in the long run. Whether Canada's commercial relations with ASEAN benefit from that region's eventual cyclical upturn will depend, in considerable degree, on the business ties that are established now. Canada would also be well advised to adopt a more receptive attitude towards ASEAN's efforts to enhance market access for its exports—a subject now being studied by the North-South Institute (based in Ottawa) and an ASEAN counterpart, the Institute of Southeast Asian Studies.

The gradual opening of the Chinese economy to the rest of the world presents an emerging opportunity for Canada. The government of China appears determined to stimulate growth by encouraging the development of an economy that emphasizes a role for private enterprise. The prospect of gaining a foothold in a market of more that a billion people has set off a rush of trade missions to China from all over the developed world. In the intense competition to sell in China, Canada does have a slight advantage. Canadians are regarded favourably by the Chinese people, especially since Canada's recognition preceded, and may well have paved the way for, recognition by the United States.

Since the resumption of diplomatic ties in 1970, relations between Canada and China have expanded on a wide front. There have been numerous exchanges in the arts, science and technology, education, medicine, sports, the media, tourism, agriculture and industry. More than 1,000 Chinese students and scholars are currently attending universities and community colleges throughout Canada. There have also been several official visits in both directions, most notably the Prime Minister's recent trip to Peking, which included a meeting with the architect of China's economic reforms, Deng Xiaoping. A firm base has been constructed for what is expected to be a continuing expansion of economic relations. In particular, after a period of starts and stops, China is moving ahead with its economic development plans in the fields of energy, transport, communications and selective industrial modernization. Canadian companies are well equipped with the skills and experience necessary to contribute significantly to the realization of these plans.

China has given many indications that it is prepared to open its economy and society to the western world. This has been evident in its approach to Hong Kong, which is due to come under Chinese control in 1997. In its negotiations with the United Kingdom on this issue, China was prepared to grant a substantial degree of economic freedom to Hong Kong, maintaining its status as a major entrepôt for trade between China and the rest of the world.

There have also been signs of a slight moderation in China's policy on Taiwan. This provides an occasion to review Canada's relations with Taiwan, which is Canada's fifteenth largest export market in the world. Canada does not maintain diplomatic relations with Taiwan but, unlike many other countries in the same position, Canada has no mechanism to provide interested exporters with the normal government services such as market information and advice on documentation. Other countries conduct their bilateral relations with Taiwan through private sector trade offices, which are often administered by the national chamber of commerce. Witnesses suggested that the Canadian government, without making any change in its official position with respect to the People's Republic of China, might do the same. William Saywell, an authority on China, told us, "We have been at the extreme end of the cautious spectrum on having informal relationships with Taiwan." (51:73)

The committee therefore recommends that the government encourage the Canadian private sector to establish an office in Taiwan to assist Canadian companies to develop business relations there. This can and should be done in a way that will not affect Canada's important relationship with the People's Republic of China.

Among the countries of the Asia-Pacific region that are in danger of being overlooked, the committee believes India merits special consideration. There is a gap between the Canadian public's image of that country, conditioned by poverty and underdevelopment, and its actual accomplishments, abilities and potential. It is not generally known that India has emerged as a net food exporter in recent years. In

addition, it has a modern industrial sector that is the ninth largest in the world and a large sophisticated consumer market. India is perhaps the only major developing country that can afford to undertake major investments because it is not constrained by massive debt repayments, and it is expected to have one of the fastest growing economies over the next decade. By the turn of the century it is possible that Canada's relations with India will be more important than its relations with China. Moreover, Canada is able to draw upon a number of links with India to develop a more substantial relationship. Canada's official aid program has been at work in India for over 40 years, while Canadian missionaries have been active for much longer. India is Canada's fourteenth largest export market overall and is third after Japan and China in the region. Furthermore, India currently is the largest source country for immigrants entering this country. **We believe that the government should move energetically to build upon the connections between Canada and India to promote greater trade and investment between the two countries.**

Europeans first recognized Canada's trading potential, and the demands of the European market left an imprint on patterns of Canadian commercial activity that has still not disappeared. In the post-war period, the economy of the United States spurred the Canadian economy, and the predominance of intra-continental trade links was firmly established. As the century moves to its close, however, Canada may well encounter its most demanding test as a trader in the competitive drive of the peoples of Asia and in their challenging markets.

CHAPTER SEVEN

Working for International Development

Development co-operation is an area of foreign policy that draws Canada out into the world and enhances the country's reputation and independence. Canada's financial support and know-how are substantial; as a result, its views carry weight internationally. Development co-operation offers an ideal outlet for Canadians, the opportunity to make practical contributions to improving the lives of others, the chance to act responsibly while expressing themselves personally. We are particularly conscious of the benefits of young Canadians becoming involved in international development and thereby discovering early in their lives the practical utility of idealism.

The impulse of Canadians to co-operate with people in the Third World is long-established and powerful. Since Confederation Canadian churches and voluntary groups have worked to improve the quality of education and medical care in the Caribbean, Africa, India and other parts of the world. Beginning with the first conference on the Colombo Plan in 1950, all Canadian governments have been concerned to promote the economic and social development of the poorest countries in the world. Over the years various reasons have been offered for this activity, but essentially it comes down to this: it is right and it is in Canada's self-interest that all peoples should enjoy well-being and a decent standard of living.

Although the underlying principles of co-operation are simple, the relations between developed and developing countries are increasingly complex. The Third World has changed dramatically over the past 40 years and diversified to the point where no one term ('Third World' included) can convey the reality. The World Bank now differentiates between three categories of developing countries—low, middle and upper income. The latter group, often called the NICs (newly industrializing countries), includes some of the fastest growing, most competitive and dynamic economies in the world.

Important as these changes are, there is another abiding Third World reality: the persistence of mass poverty in Africa and parts of Asia and Latin America. Though substantial progress has been made in some areas of development, including nutrition, literacy, and health care, hundreds of millions of people still lack the income to obtain basic food, shelter and clothing. The numbers threaten to grow in the next 20 years and to be concentrated more and more in huge cities of poverty around the world.

The dual reality of rapid Third World development and persistent poverty presents Canadians with a complex challenge. They must meet stiff new competition and participate in managing the world economy in ways that strengthen mutual interests. They must, at the same time, remain highly sensitive to the problem of world poverty and rededicate themselves to helping eliminate it.

Debt and Trade

Nothing so clearly illustrates the growing interdependence of developing and developed countries as the international debt crisis of the 1980s. Substantial portions of the capital surpluses generated in OPEC countries by the sharp rise in energy prices in the 1970s were reinvested by the banks of Europe and North America in a relatively small number of the fastest growing, most credit-worthy developing countries in Asia and Latin America. These countries and their bankers assumed that the servicing and repayment of their rapidly accumulating debt would be financed easily out of earnings from continued economic growth and expanded world trade. Unfortunately the world economy refused to co-operate: the recession of the first half of the 1980s depressed the prices of many Third World products and sharply contracted their markets. Many of the debtors, primarily in Latin America, were left with obligations far exceeding their ability to pay.

The central fact to emerge from the committee's hearings is that the debt situation is not improving. On the contrary, the debts of the developing countries are in most cases continuing to increase. There is a growing realization that many of these debts are unlikely to be serviced in the future, let alone repaid. To avert a major crisis and massive human suffering, concerted action must be taken by all involved—the debtor nations, the creditor banks, the creditor countries and the international financial institutions.

The statistics are alarming. Total Third World debt is almost $900 billion, about half of which is identified by the International Monetary Fund (IMF) as problem indebtedness—meaning that countries have had to reschedule their obligations or delay payments. Of the problem indebtedness, almost $240 billion is owed to the international banking system; more than $100 billion is held by U.S. banks. In the case of Canadian banks, it is estimated that they hold some $20 billion of the problem indebtedness, concentrated in about 20 countries, with the major debtors being Latin American countries. To put this exposure in perspective, however, the best available information indicates that only about 10 per cent of total loans made by Canadian banks has been made to developing countries and 7 per cent to the countries of Latin America with problem indebtedness. These figures compare with 60 per cent of total Canadian bank lending being to domestic borrowers and 30 per cent to borrowers in other industrialized countries. Canadian banks, like U.S. banks, have more than their capital base outstanding to the larger debtor countries, and the percentage of loans to high-risk debtors held by Canadian banks is relatively greater than the percentage of high-risk loans held by U.S. banks.

The burden of servicing the debt is onerous. The volume of debt as a proportion of gross domestic product for Latin American debtors is 56 per cent overall, while payments of interest and principal as a proportion of export earnings last year averaged over 60 per cent. These are alarming figures. Although the total amounts owed by the poorer countries of sub-Saharan Africa are much smaller, the burden of debt they face is relatively greater. Moreover, they depend heavily on income from commodity exports, the demand for which continues to be depressed.

Since 1982, a crisis in the international financial system has been avoided by rescheduling debt payments and interest charges and by providing $326 billion in new capital. Rescheduling has been accompanied by stringent conditions imposed on debtors by the International Monetary Fund to bring about economic adjustments through restructuring and austerity. John Loxley told the committee that these conditions are harsh and inappropriate and involve a sharp contraction of imports:

> This contraction of imports has led to very high rates of unemployment; excess capacity; tremendous austerity, in terms of cut-backs in real wages and consumption; reduced living standards, generally; and a terrible burden of adjustment on certain sections of society in these countries. In particular, there is growing concern with what these kinds of adjustments are doing to the health and welfare of children. (23:43)

To make matters worse, the banks, overcome with 'debt fatigue', have reached pessimistic conclusions about the credit-worthiness of their borrowers. During the past two years lending of new money has dried up almost completely. In many cases this has led to net capital outflows from countries desperately in need of capital for development.

In addition to the capital outflows generated by governments repaying their debts, another form of capital outflow occurs when private individuals transfer personal funds to more secure economies. In countries like Argentina and Mexico, these transferred funds represent an important foreign exchange drain. Military expenditures also add to the debt problems of some countries. Two countries that have experienced the flight of private capital—Argentina and the Philippines—are also facing debts incurred as a result of large purchases of military equipment by former dictatorships.

Whatever the source of their debt problems, many countries see little prospect in the near future of regaining even the levels of national income they enjoyed five or six years ago. The question is how long debtor countries with depressed economies can or will keep paying such large proportions of their export earnings to service their debts. And what will be the costs in human suffering? In political stability?

A 1984 report of the Commonwealth Secretariat group of experts urged an end to premature outflows of resources from developing countries; additional financing; more flexible rescheduling arrangements; a preservation of the domestic and international financial system, but no bail-outs for the banks; and a larger role for direct foreign investment in developing countries. Emphasizing the situation in the low-income developing countries, especially in Africa, the group warned that there was a danger the emergency solutions for the big debtors risked "crowding out the poorest countries from official financing" and that substantial increases in official development assistance were needed. Their report urged the international financial institutions to play a much larger role. In addition the Organization for African Unity, speaking for the sub-Saharan African debtors, is looking for increased forgiveness of loans and grants and reschedulings.

We are concerned that the often tough measures imposed on many of the debtor countries in order to manage the debt problem cannot long continue without resulting in a major crisis. The economic difficulties facing a number of developing countries place intolerable strains on their people and on democratic governments. We perceive an urgent need for measures designed to promote economic recovery and development in the debtor countries.

The proposals of U.S. Treasury Secretary Baker in October 1985 are a useful first step. The Baker plan suggests that the World Bank should increase its lending to the

principal debtor countries in the next three years by $27 billion and that commercial banks should increase their lending to 15 designated debtor countries by about $20 billion over the same period. The emphasis is on promoting measures in the debtor countries that will lead to growth rather than depression, and the World Bank has been urged to play a new and stronger role in promoting adjustments in Third World economies.

The governments of the industrialized countries and the banking community have supported the Baker plan although, as David Hilton of the Bank of Nova Scotia told the committee,

> Some economists ... suggest that the whole plan is underfinanced, that even if the $40 billion is added to the financial flows to the developing world, these borrowers are not going to be appreciably better off in three years' time than they will today, and they will still be facing large debt service bills, particularly if the new ... policy is to pursue growth related objectives, because that means their import bill will go up. (23:40-41)

The Baker proposals are regarded by developing debtor countries as a positive idea but insufficient. The Cartagena Consensus, the response to the proposals by a group of 11 heavily indebted Latin American countries, called for significant changes in loan agreements, particularly lower interest rates; increased capital flows to the region and the separation of present debt from future debt; a possible ceiling on debt service payments relative to export earnings; a substantial increase in the resources available to the multilateral development agencies with a 'containment' of the conditionality they impose; and elimination of protectionist measures that restrict access for the regions' exports. The beginnings of useful dialogue are under way, but the Baker proposals need to be developed and refined.

Basic to the Baker plan is continuation of the established procedure of dealing with debtor countries on a case-by-case basis. This approach has left debtor countries feeling beleaguered in unproductive adversary relationships with creditors during negotiations. The approach takes into account the fact that every debtor country has its own characteristics, but it has failed to cope with the severity and scale of the debt crisis. As the Commonwealth Secretariat report pointed out,

> The message is clear. The present situation is not sustainable. The world's financial safety is on a knife-edge ... There is no room for complacency. We sense rather that a recognition of the gravity of the issues and of the dangers posed by the debt crisis in an interdependent world is growing. (13)

The crisis is not self-correcting, and the banking system is severely strained. General principles governing debt management need to be elaborated. The new techniques of debt relief suggested by the debtor and creditor groups need to be evaluated, including such technical devices as multi-year instead of annual rescheduling, writing down debt, stretching out maturities, abolition of commission fees, linkage between debt repayment schedules and export earnings, lower interest rates, and interest capitalization. To explore these and other proposals, **the committee considers that a conference organized at the intergovernmental level, and including representatives of the debtor and creditor countries, the banks, and the international financial institutions, is urgently required. Recognizing the seriousness of this crisis, which affects developing and developed countries alike, the government of Canada should press member countries in the OECD and elsewhere to support such a conference.**

Increased direct foreign investment in developing countries is another, albeit long-term, measure that could improve the debtor countries' situation. Many Third World

countries have restrictions on foreign investment, fearing that they will lose control of their industry, but they would be wise to recognize that the management know-how and technology transfer usually accompanying such investment can often help their future development. At present, multinational companies in industrialized countries are wary of taking the political and financial risks involved; foreign investment in many countries has therefore decreased. But the World Bank recognizes this and is launching a Multilateral Investment Guarantee Agency to reverse this trend; its International Finance Corporation is also encouraging equity investment in developing regions.

Regional approaches to debt management are also required. The low-income countries of sub-Saharan Africa, for example, owe their debts mainly to foreign governments and international financial institutions like the IMF and the World Bank rather than to commercial banks, as is the case for Latin American countries. Other African countries have added to their borrowings by being the recipients of export credits. Considering the desperate situation arising from the African famine, some degree of debt forgiveness will undoubtedly be required for the poorest African countries. **We urge the government to be especially attentive to the needs of African countries and to support, in the Paris Club and elsewhere, approaches to debt management that will assist in recovery from the famine. We commend the decision of the government, announced at the May 1986 special session of the United Nations General Assembly, to declare a 15-year moratorium on repayment of government loans to poorer countries in sub-Saharan Africa. We also consider it desirable that the government contemplate extending the moratorium to Export Development Corporation loans to the same countries.**

The Baker proposal that the World Bank finance increased structural adjustment efforts by middle-income debtor countries will require larger resources for the World Bank. **The committee notes with approval that the government of Canada has indicated it would consider increased World Bank funding. We also support improved co-ordination between the International Monetary Fund and the World Bank, with the objective of ensuring that short-term adjustment measures are supportive of longer-term economic recovery and development.**

At present, debt management is the single most critical issue in economic relations between developed and developing countries. In the longer run, however, finance is only half of the equation: the other half is trade. If the indebted developing countries are to grow and pay even a portion of their debts, they must greatly expand their export earnings. This requires, above all else, the recovery of economic growth in the industrialized democracies and improved access to their markets.

There is no question that the industrialized countries have an interest in encouraging such trade. Apart from the repayment of debts to their private banks, they now find major markets for their own products in the Third World. Some 39 per cent of Japanese, 36 per cent of U.S. and 46 per cent of European exports go to Asia, Africa and Latin America. Canada is a notable exception, with only about 10 per cent of its exports going to developing countries. Even so, the North-South Institute has concluded that between 1981 and 1983, the effect, in terms of lost jobs, of $1 billion in lost export markets in just four Latin American countries—Argentina, Brazil, Mexico and Venezuela—was "clearly huge and Canada-wide". (*Review 84, Outlook 85*, p. 3).

Notwithstanding the mutual interests involved, the expansion of north-south trade faces some formidable obstacles. The main difficulty is protectionism. There has been a long-standing practice in international trade of granting preferential tariffs to developing countries, but their significance has diminished with the general reduction of tariffs and the rise of non-tariff barriers. It is these barriers that impede the exports of

developing countries, particularly in sectors that are vital to them, such as shoes and textiles. Canada's own record in this regard is anything but exemplary. Canadian governments have tolerated sometimes flagrant policy contradictions by promoting industrial development in the Third World through the aid program while at the same time blocking the Third World exports necessary to finance that development.

The current situation seems to be a combination of steps forward and steps backward. The government has removed most shoe import quotas, except for those on women's and children's shoes. This government initiative is a heartening sign of a new approach to encouraging the development of exports from the Third World. On the other hand Canada appears to be acquiescing in a renegotiation of the Multi-Fibre Arrangement (governing clothing and textile trade), which will be even more severe than the existing agreement in restricting new entrants. This means, in effect, that the newly industrializing countries, with their stronger economies and established market links, will hold their market shares against much poorer countries like Bangladesh struggling to break into the trade. **We urge the government of Canada to press the case for the poorest developing countries obtaining increased quotas under the Multi-Fibre Arrangement. At the same time, it is imperative that Canada develop effective worker retraining, alternative employment opportunities and industrial restructuring and modernization initiatives that would allow it to support a phasing out of the Multi-Fibre Arrangement in favour of exposing the textile and clothing trade to normal GATT rules.** To the extent that Canada resists trade liberalization, it raises the cost to Canadians of these products and impedes the growth of markets for its own products in the Third World.

The industrialized countries have their own list of legitimate grievances and demands concerning the trading practices of some developing countries. The most important of these is the relunctance of the more successful developing countries to 'graduate' from preferential arrangements to the full, liberalized régime of the General Agreement on Tariffs and Trade. One consequence of this refusal, as the Multi-Fibre Arrangement illustrates, is the denial of preferential trading opportunities to the poorest developing countries. **We support the policy of encouraging clearly qualified newly industrializing countries to graduate from preferential arrangements in the GATT designed for lower-income developing countries.**

Development Assistance

In the 1950s and '60s, international development co-operation was focused on aid programs, while in the 1970s and since, the centre of attention has shifted to international economic relations. One witness before the committee put it bluntly: "For the developing world, in general, our trade and economic policies are vastly more important than our aid programs." (21:7) We think such statements may go too far and run the risk of underestimating the considerable importance of aid, particularly where Canadian policy is concerned.

Altogether, aid or development assistance contributes only 13 per cent of Third World investment, but it is a major contributor to financing the development of some of the world's poorest countries, particularly in Africa. It is also a major source of technical assistance, which remains a vital requirement of many developing countries. In the case of Canada, whose trading relations with developing countries are a comparatively small part of total trade, official development assistance (ODA) is a major element, arguably the major element, in north-south policy. More than that, it is a Canadian vocation.

In travelling across the country we discovered that the desire of Canadians to help others through development co-operation seems stronger and more widespread today than it has ever been in our country's history. The spirit of that co-operation was conveyed by Adrian Van Ekris, chairman of the project committee of Farmers Helping Farmers, in testifying before the committee in Charlottetown. He described the origins of the project in a 1979 farm exchange consultation:

> We had delegates on Prince Edward Island from 30 different developing countries and we had a meeting for a whole week with them. In the evenings we as farmers took them all home to our own houses, so that we had a close dialogue with them in the evenings, to get first hand information from these people.
>
> In the meeting I had a big surprise. The people from the third world came to learn from us but we learned from them also. Sometimes I could not even cope with the things that were going on in the world. I was on my farm and I thought: do not bother me, I am getting along all right. If you really look at yourselves, I think you will see that this kind of self interest which I had is in all of us. But I think we have to feel more concern for each other, not only in Canada but also around the globe. (31:15)

Like all vocations, development assistance needs continual renewal and a rediscovered sense of purpose from time to time. What began as the actions of individuals and religious orders has now developed into more than 200 voluntary Canadian organizations providing an enormous variety of assistance to people in the Third World. Aid has grown into official development assistance, a multi-billion dollar system of large national and international bureaucracies. In 1951 Canada contributed $10 million in food aid to India; in 1986 Canada will spend over $2 billion on ODA in dozens of countries around the world. With growth have come accomplishments, but also questions, criticisms and self-doubt. Now is a good time to confront the questions.

The Volume of Aid

As part of the program of reduced government expenditures, the Minister of Finance announced in his February 1986 budget that the ratio of official development assistance to gross national product (the common international measure of a country's commitment to development) would remain at the 0.5 per cent level for the remainder of the decade. This decision involved postponing achievement of the 0.7 per cent target, proposed by the Pearson Commission in 1969, until the year 2000. At the 0.5 per cent level, actual aid expenditures will continue to grow as the Canadian economy grows, but the rate of growth will be substantially lower than it would have been. In dollar terms, and ignoring adjustments for inflation and the growth of the economy, the $8 billion spent on development assistance during the past five years is likely to rise to more than $12 billion in the next five years. At current levels, Canada is seventh among donor countries, after the Netherlands, Norway, Denmark, Sweden, Belgium and France.

In postponing its own previously adopted targets, the government has repeated a decade-old pattern of Canadian aid policy. In 1975, as part of its five-year *Strategy for International Development Co-operation*, the government of the day reaffirmed its "determination to achieve the official UN target of 0.7 per cent of GNP and to move towards this target by annual increases in the proportion of ODA to GNP". Despite this undertaking, over the next five years the ratio dropped steadily, from 0.56 per cent in 1975 to 0.42 per cent in 1980. It was not until 1984 that 0.5 per cent was achieved once again.

Committee members reacted to this situation in a variety of ways. A majority thinks that the goal of achieving the 0.7-per cent target by 1990 should be restored. Other members felt that inasmuch as the government has a fiscal plan in place, the government should undertake the restoration of such aid only if government revenues support such action. Some favoured adopting a goal of 1.0 per cent beyond 1990.

Although committee members have different priorities and preferences, all regret the slowing of aid growth because, as Peter Kilburn, a member of the business community, reminded us, "in the end, the best test of our commitment is the volume of assistance we are willing to deliver." (21:11) Bearing in mind Canada's history in meeting aid targets, we conclude that what is required are ambitious but attainable goals, as well as realistic plans to meet them.

Although witnesses raised the question of the quantity of aid, most were more concerned about enhancing its quality. On this point as well, the committee agrees that priority should be given to improving the effectiveness of Canadian aid, and it is to this question that we now turn.

The Purpose of Aid

A substantial number of witnesses voiced the concern that the Canadian International Development Agency (CIDA) lacks a clear sense of direction because it is pushed and pulled by political and commercial pressures. Bernard Wood, director of the North-South Institute, which has conducted detailed studies of the aid program, observed to the committee:

> Canadians are not sure what aid programs have been doing and they have been right to wonder. Our studies and others have demonstrated that we and other donors have loaded impossible burdens onto our aid programs. We have made them much less effective than they could be, and sometimes even more harmful than beneficial. (21:8)

The most frequently expressed concern is the fear that the Canadian aid program is being converted into a trade promotion vehicle. Those who express this criticism acknowledge that trade promotion is a vital function, but insist that it is fundamentally different in its aims and methods from development assistance. In his brief to the committee, Michael Lubbock, former director of the Canadian Association for Latin America, distinguished the two according to their time horizons:

> If aid is given to the third world in a way which strikes at the extreme destitution of the poorest, bringing them out of their present economic isolation and enabling them to sell, and therefore to buy, new customers for Canadian products will appear... [But] this means accepting that an increase in customers will take time to materialize. Any projects which seek short-term benefits for the Canadian economy must be considered part of 'trade development' and not of aid. (2)

We think it essential to clarify this matter of purpose by relating development assistance to the operations of the international economic system. By and large trade and finance operate in ways that are blind to international economic inequalities and mass poverty. Private bank loans, for example, are extended least often to the poorest countries, which are also the highest risks. Development assistance is one of the few international instruments for counteracting the tendency towards haves and have-nots and for promoting the development of the poorest regions and countries of the world. At a time of Africa's precarious recovery from the massive devastation of famine and painfully slow progress in the worldwide struggle against poverty, it is vital that

development assistance be rededicated to its primary purpose. Accordingly **the committee affirms that meeting the needs of the poorest countries and peoples should remain the primary and overriding objective of the Canadian aid program. Because women are economically vulnerable, we recommend that direct assistance to women in developing countries be given priority.**

The Effectiveness of Aid

Apart from worries about the aid program's uncertainty of purpose, a number of witnesses raised serious questions about its effectiveness. Ed Cayer, who has served in senior capacities at CIDA and for many years as a development consultant, described the durability of underlying problems:

> In 1977 when I went to CIDA, I assumed the position of Director General of Bilateral Operations. I was responsible for the follow-up to be given to the Auditor General's observations. At CIDA the systems simply did not work. There was a tremendous blockage simply because everything was done on an ad hoc basis. So I am back at CIDA now, some 10 years later, and what I see is an agency that has far more systems but is not getting ahead very much faster. (31:42)

Peter Kilburn was one of several witnesses who warned that control and accountability systems may themselves be a major source of the bureaucratization and slowing down of aid delivery. To minimize these problems, he suggested that responsibility for design and management of capital projects be transferred when practical from CIDA to developing countries. (21:12) Other witnesses argued that decentralizing people and authority from CIDA headquarters to the field was the single most important step towards a more effective aid program. The committee received still other evidence that a shift to a less project-oriented aid program is called for, particularly in the lowest-income countries, where many projects have failed for want of continuing local support and servicing.

CIDA has made considerable progress in recent years in meeting some of these concerns. For example, the average length of time required to launch a project has been reduced. Some of the constraints that remain are not of CIDA's making. A considerable part of the aid program is tied to the procurement of Canadian goods and services. Although this often results in the provision of first-class assistance, there are cases where tying distorts the purpose and reduces the value and effectiveness of aid. Conversely, there may be types of tying, such as lines of credit, that serve the purposes of aid far better. We think it is important to maintain Canadian content but essential that procurement not be allowed to distort or detract from development.

The issue of aid effectiveness cannot be addressed properly without discussing the vital role of women in the development process. The development community has only recently begun to understand this crucial issue. Development experts argue that tied aid is a major constraint in meeting the dual goals of aiding the poorest people and integrating women into the development process. Women are often the farmers, the providers of health care, the unofficial heads of households. It is absolutely essential that they be consulted on appropriate development technologies. CIDA has begun to implement a policy framework called Women in Development. The committee recommends that the government provide sufficient funds and staff to allow CIDA to implement the Women in Development policy framework and to achieve its stated targets.

The question arising from our hearings was what means exist to evaluate the effectiveness of aid. The question has been asked before and answered with an array of

bureaucratic procedures. Christopher Bryant of Canadian University Service Overseas remarked, "We have obviously not yet found the most effective way [to promote international development] but we are learning what works and what does not work." (21:14) We believe that the basic requirement is just that, to open up the possibilities for learning. We received information that CIDA evaluations may sometimes be less independent of Agency control than they should be. As well, Canada is less inclined than a number of other donor countries—in particular, the United States—to make public its evaluations of aid projects. At present, evaluation reports are open to examination by Members of Parliament at CIDA headquarters on a confidential basis. Although we recognize the sensitivity of some of the material in these reports, we believe that CIDA would benefit from greater public access to aid evaluations.

International sharing of the lessons of development and co-operation among aid donor countries are requirements for strengthening the overall performance of aid. **Official development assistance is still hobbled by the sometimes parochial and self-seeking nature of national aid programs. An example of this, which is by now part of development lore, concerns the 15 different and incompatible types of irrigation pumps supplied by aid donors to Kenya. We recommend that Canada press for closer co-operation among aid donors and remain a strong supporter of multilateral approaches and institutions that encourage such co-operation. In general, we affirm the Canadian tradition of treating multilateral and bilateral aid channels as complementary and mutually reinforcing.**

We did not conduct an in-depth evaluation of the Canadian aid program. That task is being carried out by the House of Commons Standing Committee on External Affairs and International Trade. As the Committee defines its work program, we urge careful examination of several issues we have identified but not resolved. How can the administrative burden associated with aid be reduced? To what extent and in what ways can people and authority be transferred to the field? How can the costs associated with tied aid be reduced and the benefits to developing countries increased? How can people, from aid experts to the Canadian public, participate more effectively in improving the quality of Canada's development assistance?

Partnership

Canadian development assistance is a partnership between government, volunteers, the private sector and the Canadian people. In 1968 the government established a program to provide support for development work by voluntary organizations (known collectively as NGOs—non-governmental organizations). Over the years, the program has grown dramatically in size and scope; the Special Programs Branch of CIDA now responds to and encourages initiatives by both voluntary and profit-oriented organizations. It supports between 3,500 and 4,000 projects annually, including more than 1,500 private sector initiatives, in over 100 countries. Its total budget approaches $200 million a year.

There is and should be far more to the partnership than financial support. It is equally important for NGOs to make their expertise available to CIDA and for CIDA, in consultation with the NGOs, to suggest types of activity and geographic areas where the efforts of voluntary organizations are most needed. As envisaged by the 'country focus' plan introduced in the early 1980s, **non-governmental organizations, both voluntary and business, should be involved to the maximum extent possible in the planning and execution of Canada's official development assistance programs. They should, in fact, constitute the heart of expanded and revitalized technical assistance programs.**

To this end new capabilities and mechanisms may well be required. Throughout our hearings we met volunteers, representatives of voluntary organizations and officers of associations grouping members of the NGO community. The message we heard was a blend of enthusiasm and commitment mixed with sober realism and self-criticism. During our meetings in Charlottetown, which were devoted in large part to volunteers in development, Garry Webster summarized the strengths of NGOs: their grass roots base, their concern with full human development not just economic growth, their idealism, expertise and willingness to go beyond ideology in seeking to help people. But he also acknowledged the limitations and weaknesses of some NGOs when he observed:

> There are some voluntary agencies whose work overseas I could criticize ... First and foremost, I guess, the characteristic of band aid; that is the characteristic of going in and throwing dollars or food aid or clothing aid or any other number of material benefits at people without taking the careful effort to establish ... that local people are not capable of providing these resources through their own efforts. (31:20)

We were informed that the impulse of CIDA to involve voluntary organizations in development planning has weakened somewhat and that the reason for this lies partly with NGOs themselves. According to one analysis, as fund-raising affiliates of international voluntary organizations, many Canadian NGOs have no field representatives of their own in the Third World. As a consequence they have failed to develop their capacity to gather, analyze and make sense of their development experience. We believe that the Canadian aid program needs the closest collaboration of voluntary organizations. **To encourage partnership in the field it has been suggested that the government and voluntary organizations should establish 'development offices' in developing countries where Canada has aid programs but no embassy or in regions of developing countries remote from the capital and the Canadian embassy. Development offices would offer non-diplomatic functional support bases for both official development assistance and voluntary organizations. We urge the government and voluntary organizations jointly to consider this proposal and other practical measures for strengthening their partnership.**

To finance their development activities around the world, Canadian non-governmental organizations raise substantial amounts of money through voluntary contributions from the public. These funds are in turn the basis for matching grants from CIDA. The vast majority of NGOs fully deserve the trust and confidence placed in them by Canadians. Organizations sometimes pop up, however, to ride waves of public concern and generosity for their own benefit. One or two established organizations have been known to support inappropriate political activities in the Third World. CIDA has the means to monitor these situations for the purpose of awarding grants and has reduced or terminated matching grants when that was clearly warranted. The voluntary community, for its part, is fully aware of the importance of maintaining public confidence. The committee sees an expanded role for NGOs in the future of the Canadian aid program and for that very reason we urge both CIDA and the voluntary organizations to remain alert to the rare violations of public trust, bring them to public attention, and take effective remedial action.

It is equally important to strengthen the private sector side of the development partnership in Canada. Many of the poorest developing countries want and need practical, hands-on business experience, particularly as they turn increasingly towards market-oriented economies. Canada should encourage this trend by facilitating co-operation between its own business community and those gradually emerging in the Third World. We think it particularly important to promote links between small and medium-sized firms, the grass roots of entrepreneurial activity.

Small firms are most likely to be indigenous to developing countries, labour-intensive, and scattered throughout the country, rather than concentrated in major cities. They are the most appropriate vehicles for economic development in many poor countries, but they face major impediments, including lack of access to capital and expertise. They are also far less likely than larger enterprises to have international connections. Canadian non-governmental organizations like CESO (Canadian Executive Service Overseas) are doing important work in this area, but we think it important for Canada to provide additional help.

The committee received a proposal for establishing a Canadian Industrial Co-operation Agency and we commend it for further consideration by the government and the House of Commons Standing Committee on External Affairs and International Trade. In essence such an agency would provide the means for small and medium-sized Canadian companies to assist their counterparts in the Third World in a variety of ways, including management contracts, technical agreements and joint ventures. An example of the sort of project the agency might support is the 'Industrial Incubator' approach of Fanshawe College in London, Ontario. Designed to provide skills training to small businesses during their first three years of operation, the program has been applied successfully in Ontario and is now reaching out to the eastern Caribbean. The agency proposal, presented by Michael Lubbock in an appendix to his brief, acknowledges that these kinds of projects are supported by CIDA's Industrial Co-operation Division, but goes on to argue that the job demands "not only an examination of facts and figures but an intuitive flair; and this can only come from people who have spent many years dealing with new projects and have long practical experience". (2) The proposed agency would take over the functions of CIDA's Industrial Co-operation Division and be run by experienced business people.

Foreign Students

The committee was impressed by the volume of submissions it received from the university community on the question of foreign students in Canada. Substantial briefs were submitted by a number of Canadian university presidents, by representatives of university teachers and students, and by education-related organizations.

The focus of their concern is that in recent years seven of the ten provinces have instituted higher fees for foreign students studying at Canadian universities than for Canadian students—in some cases more than 10 times higher. The actions of provincial governments and universities in instituting increased fees for foreign students are not difficult to understand. Faced with rising costs and an influx of foreign students in the mid-1970s, and reacting to the fact that, since 1975, increases in federal per capita educational transfers to the provinces for post-secondary education have made no financial provision for the considerable increases in the numbers of foreign students that have occurred since then, provinces turned to differential fees as a cost-recovery measure in a period of financial restraint.

There is considerable variation in the fees charged. Ontario and Quebec have the highest fees, Manitoba, Newfoundland and Saskatchewan do not charge differential fees for foreign students, and British Columbia exempts graduate students. The case has been made that these fees have caused the current decline in the number of foreign students in Canadian universities (from 36,000 in 1982-83 to 33,500 in 1984-85). This decline has been uneven, however. Ontario, with the largest number of foreign students, had a significant decline (20.5 per cent) in the past two years. One province with no differential fees saw a drop in the registration of foreign students, while another province that does impose fees saw the numbers increase.

Canada's receptivity to foreign students is high by international standards. Throughout the world it is estimated that one million students are on the move, taking part in higher education in a foreign country. Canada is one of the top five destinations and together with France, Germany, the United States, and the United Kingdom, takes about 60 per cent of all foreign students.

Foreign students make up about five per cent of Canada's total university enrolment. The concentration of foreign students is particularly high at the doctoral level where they account for over 25 per cent of total enrolment. In a few universities it would be difficult to sustain some graduate courses—such as engineering, where foreign students constitute 50 per cent of enrolment—if these students were to drop out.

Although there are students from many countries of the world in Canadian universities, about 50 per cent come from the United States, Hong Kong and Malaysia. In many of these latter instances, students may be attracted to Canadian universities because the fees are lower than those in their own countries, or because they see attendance at Canadian universities as a first step on the way to emigrating to Canada.

Various scholarship programs are offered by CIDA, the International Development Research Centre and the Department of External Affairs for more than 3,500 non-Canadians to study in Canada. A program for Commonwealth students was recently increased to 500 places, and at the recent summit of leaders of *La Francophonie* the government of Canada announced plans for a new companion scholarship plan for francophone foreign students. In addition a few provinces offer scholarship programs; Quebec's is the most extensive.

In the submissions and testimony, the present policy towards foreign students was described as "confused", "complex", "inequitable" and "educational protectionism". The federal government was urged to take a leadership role in replacing the confusing mix of federal, provincial and institutional policies for foreign students by a coherent national approach. Recommendations to the committee included the elimination of differential fees—or, if the fees are retained, that they be used to give financial assistance to competent foreign students unable to afford the fees; the provision of a scholarship program for full funding for up to 10,000 students from countries identified as important partners in Canada's external relations; or a similar program for students from the 25 (or 40) poorest countries.

The issues surrounding the question of foreign students are not simple. Witnesses advocating proposals for increased support for foreign students in Canadian universities told us that these students bring short- and long-term benefits for Canada and Canadians. Specifically, they suggested that the presence of foreign students enriches Canada culturally; they enhance the quality of university life and contribute to particular courses, such as area studies programs, as well as to university research generally, given the large numbers at the graduate level; their attendance at Canadian universities constitutes a form of assistance to developing countries; their presence in Canadian universities helps repay an education debt incurred by Canadian students who have studied abroad; the knowledge acquired by foreign students of Canada and its products allows them later to act as an unofficial trade sales force for Canada in their own countries; the education of foreign students helps improve Canada's image in the world community and its relationships with particular groups of countries; and foreign university students may contribute substantial amounts to the Canadian economy with their expenditures over and above tuition fees.

These claims are not uncontested. Pointing to the high concentration of foreign students in certain parts of the country, in certain universities and in certain academic

programs, the 1984 Commission on Canadian Studies reported that this imbalance was defeating one of the chief benefits for Canadian students, namely the opportunity to gain an international dimension from their university experience through personal contact with foreign students. Moreover, the mix of foreign students can also cause problems. The Commission report stated that an influx of a substantial number of foreign students from one country to one university can lead to the creation of "academic, psychological and social ghettos".

It has been pointed out that even with the differential fees, Canadian taxpayers are still carrying a part of the cost of educating foreign students. Some also argue that the high number of foreign students in certain courses and institutions makes it difficult for Canadian students to gain admission. Others, basing their arguments on a detailed Australian government study of foreign students, are sceptical of the claim that foreign students represent a net economic benefit to Canada through their fees and living expenditures.

Finally, the committee was made aware that support for foreign students to come to Canada raises questions abroad. Some developing countries fear that developed countries like Canada are draining off their most promising youth and that such students, if they return home at all, will be culturally alienated. Also, some Third World governments have indicated that they would prefer to have Canada's assistance in expanding and enriching their own educational facilities; others that have their own universities are dismayed when their students express a preference to pursue their undergraduate studies in Canada or elsewhere abroad.

We believe that foreign students constitute an important asset for Canada that has not been sufficiently recognized in terms of improving trade opportunities, increasing cultural contacts and more generally for foreign policy. Foreign students could, on their return to their countries of origin, be hired to represent Canadian firms, bringing advantages to both sides. The committee shares the conclusion of the Ministerial Task Force on Program Review, which recently surveyed the situation of foreign students on scholarship in Canada.

> The attendance of significant numbers of foreign students in Canadian universities reinforces the image of Canada as an open and sensitive society and can strengthen its international standing. However, if the conditions imposed upon these students are seen to be intolerable it can become both negative and harmful. (*Education and Research*, p. 260)

We appreciate that the issues are complex and that provincial governments have a large responsibility for post-secondary education. We agree with W.A. Mackay, president of Dalhousie University, who said what is needed is

> a uniform national policy regarding foreign student fees and assistance to them [to] be adopted jointly by federal and provincial governments to replace what we...consider to be an inappropriate and confusing array of current policies. (33:33)

We are happy to note that the Council of Ministers of Education recognized, in an unusual step taken at its May 1986 meeting, that the federal government has a role in matters relating to foreign students "in post-secondary educational institutions, ranging from their entry to Canada to their potential importance in foreign relations." **We recommend that the federal government prepare a statement of national goals and objectives as they relate to foreign students, and we would encourage the provinces to state their goals and objectives in this area. These statements should then be used as the basis for discussion at a First Ministers' Conference, with the aim of promoting the greatest possible harmony between federal and provincial goals and objectives.**

If Canada's role in providing education to students from developing countries is to be appreciated properly abroad, it should be worked out in concert with them. **We were impressed by arguments that Third World countries need to develop their own institutions of higher education. At the same time, it is not feasible for them to establish a full range of graduate studies. We recommend that Canada's assistance be concentrated in the graduate field.**

An area relevant to foreign students that does fall solidly within federal jurisdiction is immigration procedures. We heard distressing accounts of delays in processing visa applications, strict limitations on foreign students taking summer or part-time jobs and, in cases where they do receive permission to work, requirements that foreign students pay into the unemployment insurance fund and the Canada Pension Plan even though they are not eligible for benefits. As part of the overall review of the foreign student question that is now taking place, we urge that these practices be examined and that those restrictions deemed unnecessary be eliminated.

CHAPTER EIGHT

Promoting Human Rights

We want to affirm what so many Canadians proclaimed before the committee: that the international promotion of human rights is a fundamental and integral part of Canadian foreign policy. It is a vital and natural expression of Canadian values. Moreover, the promotion of human rights is in conformity with the international legal rights and obligations that Canada has accepted freely, including the Universal Declaration of Human Rights, the Covenant on Civil and Political Rights, and the Covenant on Economic, Social and Cultural Rights.

The effective promotion of human rights internationally faces many challenges and practical obstacles. It is rejected in some quarters as unacceptable interference in the affairs of sovereign states. We insist, on the contrary, that the behaviour of governments, like that of individuals, is subject to universal values. It is not interference to pass judgement on a government's conduct and to adjust relations with that government accordingly. Actions such as terminating aid or trading relations are exactly the opposite of intervention in the internal affairs of another country.

The promotion of human rights has been attacked by others as a disguised attempt to shift the international agenda away from the problems of poverty and economics. This is certainly not our intention, as the earlier discussion of international development makes clear. We believe with the Canadian Council of Churches that "basic needs—food, water, shelter—[are also] inviolable rights, without which it is impossible for human beings to sustain life." (34) This is why we reaffirmed help to the poorest people and countries as the primary purpose of the Canadian aid program. Of equal importance, we affirm Canada's support for collective as well as individual rights, including the rights of workers and women and of religious and cultural minorities. We strongly endorse the argument of Edward Ratushny that Canada should refuse to choose either individual or collective rights over the other. "We should simply take the position that all rights are important, and there is no reason why individual rights have to be detracted from in order to support collective rights." (25:36)

Apart from the need to clarify its meaning and purpose, human rights policy faces a number of practical obstacles, not least of which is the absence of any agreed-upon enforcement mechanism. It is essential that human rights policy combine an adherence to principle with respect for careful procedure and practical results, the object being actually to relieve injustice. In considering the instruments available to promote human rights internationally, we think it useful to make a distinction between *protecting*

human rights and *developing* human rights. Whereas the former is concerned primarily with identifying, exposing and censuring human rights abuses, the latter attempts to strengthen those institutions and values that provide the only longer-run assurance that human rights will be respected.

Human Rights Protection

The main tradition in human rights policy is that of seeking to expose and, in one way or other, to end human rights violations. We believe that such an approach remains necessary and, indeed, in the case of Canada, should be made more vigorous. At the same time, we caution that the effectiveness of this approach is limited and that it depends on its international credibility. Among the necessary elements in a human rights protection policy are standards, credible investigation and sanctions.

As witnesses testified before the committee, the international promotion of human rights is exposed to a multitude of dangers, not least of which are frivolousness and politicization. On one hand there is the urge to become the scolds of the world, on the other the temptation to pursue political or ideological goals in the guise of human rights. The first requirement in avoiding these dangers is to establish human rights standards.

The committee believes that a basic standard is available to trigger and guide Canadian human rights policy, namely the appearance of a pattern of systematic, gross and continuous violations of basic human rights. In its brief to the committee, the Canadian Council of Churches described those rights.

> The churches assume that all people everywhere, regardless of their ideological, cultural, or political system, wish to be free from disappearance, from arbitrary arrest, detention, torture and extra-judicial execution and from state-sponsored racial discrimination. (34)

Where such practices occur and can reasonably be ascribed to state policy, Canada should be actively concerned.

Almost nowhere in the world are gross and systematic violations of human rights proclaimed as state policy or practised in the light of day. As a general rule they are hidden and their existence is vigorously denied. Indeed much of the psychological horror of torture and disappearances arises from this hidden quality. It follows from this that one of the most valuable instruments in preventing or ending human rights violations is the spotlight of international attention. There are three main channels of investigation open or available to Canada.

The first channel is international human rights forums, the most important of which is the United Nations Human Rights Commission. Created by the General Assembly in 1945, the Commission deals with many of the major human rights problems in the world, as well as serving to develop human rights standards and conventions. We received testimony that Canada, as an elected member of the Commission from 1976 to 1984, gained the respect of other countries and was valued by non-governmental organizations, which relied on the Canadian delegation to raise their issues at Commission sessions and to lobby on their behalf. A brief submitted by Philippe LeBlanc, by contrast, expressed concerns that Canada's performance as an observer at the 1985 session was low-key and far less effective. (2) **The committee joins witnesses in recommending that Canada seek re-election to the United Nations Human Rights Commission and, in any case, follow its work actively. Particular attention should be paid to protecting and strengthening the position of the Commission within**

the United Nations system. We recommend further that Canada work to strengthen the UN Working Group on Indigenous Populations. Native peoples throughout the world have been among the earliest and most cruelly abused victims of the denial of human rights.

In addition to the United Nations, we are convinced that there are other multilateral opportunities to develop an activist human rights policy. Canada should support and co-operate with the recently established human rights office in the Commonwealth Secretariat. Both inside and outside the Commonwealth, the government should collaborate on human rights issues with democratic middle powers among the developed and developing countries. Middle powers may be less likely to muddy the waters of human rights policy with geopolitical considerations and activities. Through close co-operation with developing countries, Canadian human rights policy will be sensitized to the perspectives and concerns of the Third World.

A second channel open to Canada in investigating and exposing human rights violations is the network of voluntary organizations working in this field. They range from national human rights bodies, whose members in some countries risk their lives to expose human rights violations, to international organizations that specialize in compiling and disseminating this information. In its submission to the committee, the Canadian Section (English-speaking) of Amnesty International—one of the most widely respected of the voluntary organizations—described the value of its partnership with the Canadian government.

> We have watched with great satisfaction as the Canadian government has taken an activist approach to promoting human rights and opposing human rights violations in bilateral and multilateral fora. As a result, the Canadian section has often made the statement that we consider the Immigration Commission (dealing with refugees) and the Department of External Affairs our allies in the struggle for the international promotion and protection of human rights. (2)

The committee recommends strongly that an even closer collaboration with voluntary organizations become a central feature of the government's approach to human rights. In this regard, Edward Ratushny urged the government to establish a Human Rights Advisory Commission to serve as a regular channel of policy advice to the secretary of state for external affairs. We support this suggestion in principle, but note that there are several approaches to the functioning and composition of such a body. Accordingly **we recommend that the government immediately investigate the most effective means of creating a Human Rights Advisory Commission.**

The committee was pleased to hear testimony that Canadian officials are committed to an effective human rights policy. At the same time, we are aware of the pressures within the Department of External Affairs to attach priority to trade, security or political considerations and, in the process, to downplay support for human rights. To overcome this tendency, **we recommend that the Department of External Affairs follow the example of the Netherlands Ministry for Foreign Affairs in establishing in-service training and refresher courses in human rights for all its officers.**

International human rights forums and non-governmental organizations are well established channels for Canada's promotion of human rights. There now exists a third channel and the opportunity to develop a more coherent and activist approach. **A House of Commons Standing Committee on Human Rights has just been created. As it begins to develop the international side of its mandate, we recommend that the Committee examine with particular care alleged international cases of gross and systematic violations of human rights, especially where they involve countries where Canada has**

large development assistance programs or significant trade relations. The Human Rights Committee should work closely with the Standing Committee on External Affairs and International Trade. At the same time we urge the external affairs committees of both the Senate and the House of Commons to keep human rights issues on their agendas and to place them in the broader context of Canada's overall foreign policy. The human rights findings and recommendations of these committees could form an important element in cabinet consideration of the eligibility list for official development assistance if the committees requested a comprehensive response to their reports from the government, as House of Commons committees are empowered to do under Standing Order 99(2).

The investigation and exposure of human rights violations has some value in and of itself. Generally speaking, however, a determination that violations are taking place is only the first step towards some further action, or at least demands for further action by the international community.

There are occasions when public criticism is an essential human rights tool. But in general a successful human rights policy is like an iceberg: largely out of sight. In describing what he called the "unfortunate tendency in Canada to talk about quiet or loud diplomacy", John Holmes observed to the committee:

> Well, of course, any intelligent country uses whichever one is more effective. There are times when quiet diplomacy is much more likely to get some warm bodies out. If you are trying to get people out of a totalitarian country, it is often better to do some private negotiations and not score points by making speeches. (25:46)

Visits abroad by the prime minister, other cabinet ministers and parliamentarians are among the most promising opportunities for expressing human rights concerns using a judicious blend of public pressure and private persuasion. We expect and encourage the government to take advantage of such opportunities, as indeed the Prime Minister did successfully on a recent trip to China and South Korea, the Secretary of State for External Affairs did on an earlier trip to the Soviet Union, and the Minister of External Relations did on her trip to Central America in the fall of 1985. In blending human rights concerns with trade, diplomatic and aid discussions, Canada can convey the message that human rights are an integral, not a peripheral, part of its international relations.

Apart from strictly diplomatic actions, Canada has a large development assistance program that can be put at the service of human rights. The issue of whether and how to do so attracted a great deal of attention in the briefs and submissions to the committee. Generally we hear Canadians saying that there should be links between development assistance and human rights, but carefully constructed links. That is our own approach; in this regard, we strongly endorse the recommendations of a parliamentary predecessor, the Sub-committee on Canada's Relations With Latin America and the Caribbean, as they appear in its report, *New Directions for Canadian Foreign Policy*, (78:14-15) which was tabled in the House of Commons on November 30, 1982.

- **Canadian development assistance should be substantially reduced, terminated, or not commenced in cases where gross and systematic violations of human rights make it impossible to promote the central objective of helping the poor.**

- **Where countries systematically violate human rights or otherwise do not qualify for official development assistance, Canada should seek through international organizations to extend humanitarian assistance and to support those struggling for human rights.**

- **Where countries have a poor human rights record but not so extreme as to justify the termination of aid, Canada's development assistance should be channelled mainly through the private sector and particularly through non-governmental organizations that work directly with the poor. In addition, it should be the policy of the Canadian government in such cases to direct a portion of its assistance to organizations that are struggling to maintain and protect civil and political rights.**

- **Where countries that qualify for Canadian assistance are showing improvement in their respect for human rights this should be encouraged by a substantial increase in assistance.**

Apart from bilateral aid programs, Canada is a major supporter of a number of international financial institutions (IFIs)—such as the World Bank and the regional development banks—which are very important sources of development finance for Third World countries. Some submissions to the committee argued that Canada should press the IFIs to establish human rights criteria for the granting of loans and other assistance. This would be a departure from the established IFI principle, defended repeatedly by Canada, of judging applications solely on their technical or developmental merits. The committee is acutely conscious of the dangers of further politicizing the IFIs in the name of promoting human rights. Nevertheless, we recognize that the most extreme violations of human rights destroy the possibility of economic and social development. Accordingly, **we recommend that Canada use its voice and vote at meetings of international financial institutions to protest systematic, gross and continuous violations of human rights.**

Finally we come to the most serious sanctions, short of war, that can be applied in response to persistent and extreme human rights violations—economic sanctions and the breaking of diplomatic relations. In the case of economic sanctions, government goes beyond regulating its own international relations to control private trade and commerce. There was debate before the committee as to whether and under what circumstances such action could be effective. Our general conclusion is that the interdependence of modern economies does indeed make them highly vulnerable to international economic boycotts of trade and investment, but that vulnerability is directly proportional to the extent and duration of the boycott. The basic requirement for effective economic sanctions, then, is that they be supported as universally as possible by the international community. Failing that, a sanctions policy, particularly of a middle power like Canada, can still have symbolic value.

As for breaking diplomatic relations, this runs strongly against the Canadian tradition of accepting the *de facto* government of a country as the authority with which Canada will deal. Moreover we think it self-defeating to terminate relations in any circumstance where there is hope of change for the better or opportunities for Canada to help out. It should be seen as the last card to play, after which one is largely removed from the game.

Human Rights Development

Thus far we have discussed a human rights protection policy conducted through international law and sanctions. **The committee is convinced that,** while strengthening this approach, **Canada should move forward and create a positive human rights development program** as well. **Through co-operative programs of financial support, exchange, research and technical assistance, Canada should contribute to the long-**

term development of political, civil and cultural rights as it now contributes to long-term economic and social development through the aid program. By helping to build representative political and other institutions and strengthen processes that serve, directly or indirectly, to protect human rights, Canada can add an element of protection to the carrots and sticks of traditional human rights policy.

The assumption underlying development assistance policy has been that economic growth would enhance other forms of social and political development—including enchanced respect for human rights—more or less automatically. Experience has shown that although creating and distributing wealth is of fundamental importance to developing countries, economic development by itself does not resolve social and political tensions. It often increases them. Many countries in Latin America, for example, achieved rapid economic growth in the 1970s and, at the same time, suffered political polarization, instability and the plague of human rights violations.

The roots of this trouble lie partly in extreme inequalities and concentrations of economic and political power. They lie also in the failure of institutions to defend and promote the rights of the individual, of minority groups and of the community as a whole. Growing numbers of people throughout the world wish to strengthen representative political and other institutions as one means of ending the cycles of repression and instability that have beset them. Without regard to ideology, this struggle for the development of human rights aims to promote the freedom of individuals to organize in labour, academic, religious and political associations, the establishment of an independent judiciary, a free press and effective democratic institutions, and the holding of genuine elections with the broadest spectrum of political expression.

The importance of human rights and democratic development does not mean that international co-operation in this area is easy or always possible. Issues of this sort are often considered off-limits to outsiders, an attitude Canadians can well understand. The principal danger is that what is represented as international co-operation may in fact constitute interference or even intervention. Such interventions have had anti-democratic and repressive consequences in the Third World, whatever the rhetoric that accompanied them.

Experience has shown that these objections amount to a well founded caution about how international programs in human rights and democratic development should be designed and run. They should, in the first place, be co-operative—responding to the requests of others as they identify their own interests and needs.

Canada is not—and should not be—in the business of exporting its own institutions. It can and should be equipped to share its experience and to co-operate with others as they develop their own institutions. Such programs should enjoy the active support, or at least the acquiescence, of partner country governments and peoples. The most promising opportunities for co-operation would occur in countries like Argentina or the Philippines, which have embraced democracy after periods of authoritarian rule. Serious human rights offenders would no doubt disqualify themselves and seek to discourage their people from participating in Canadian programs to assist democratic development. In those cases, Canada should try, where possible, to encourage the building of links with non-governmental organizations seeking to promote democratic development.

Such programs should also be practical and primarily technical in nature, careful to avoid advocacy, propaganda and the most sensitive or controversial areas of democratic development. Such matters are for the people of any country to debate and settle themselves. International assistance can be helpful in developing the means to achieve agreed-upon goals. We would offer the following as examples of activities that have already occured in embryo and could be developed further.

- Strengthening Canada's capacity and effectiveness as an observer in elections abroad and developing programs of technical assistance in building of electoral institutions and procedures. (56:26-27)

- Providing technical and financial assistance in the strengthening of workers' organizations. This work could build on earlier projects such as those undertaken by the Canadian Labour Congress with CIDA support to help set up trade union research institutes in Belize and Jamaica.

- Encouraging partnership between human rights research and advisory bodies in Canada and their counterparts abroad through programs of exchange and joint research.

- Establishing a Latin America-Canada co-operative research program in legislative institutions. In time this might lead to the building of a Latin American legislative research and technical assistance network. (25:41-67)

Other promising areas include the organization of human rights bodies such as offices of ombudsmen, federalism, the strengthening of judicial institutions, the rule of law, local government, and the media. The government and the Parliament of Canada should consider developing direct programs of their own. For example, a program in electoral and representative institutions could be created in CIDA's Institutional Co-operation and Development Services Division, and the Parliamentary Co-operation program run by the Parliamentary Relations Secretariat could be expanded. In general, however, we incline to the view that projects should be developed and managed by non-governmental organizations in co-operation with counterpart organizations in partner countries.

Canada has not previously been particularly active in international efforts to encourage human rights development. It can and should be for a number of compelling and practical reasons. Canada has the ability and, we believe, the credibility to co-operate in this area. Canada's approach to international relations emphasizes co-operation with others rather than imposition of its own values and institutions. Programs to encourage human rights through democratic development would also be a means of opening political channels with other countries. They would serve as a two-way street, allowing Canadians to express their own values and share their experience while learning of the needs and aspirations of others and being reminded of the incompleteness and vulnerability of Canada's own democracy. To these reasons we would add another: such programs could serve as a unifying force in Canadian foreign policy, expressing the Canadian commitment to human rights in a non-ideological and non-partisan manner. To this end, **we recommend that the government consider establishing an International Institute of Human Rights and Democratic Development with carefully prepared guidelines for supporting activities by non-governmental organizations. To ensure that the Institute is sensitive to the varying national perspectives on democratic development, particularly in the Third World, we recommend that its board of directors include international representation, on the model of the International Development Research Centre. Funding for the Institute should be provided as a small fraction of official development assistance funds.**

Assisting Refugees

Assisting refugees is a special part of the Canadian concern to relieve the suffering of those whose basic rights have been violated.

Canada has an honourable tradition of providing such assistance. This country has received refugees fleeing civil strife in many parts of the world and has assisted those who have had to leave their homes temporarily. The generous response of the Canadian public was illustrated perhaps most dramatically between 1975 and 1980, when more than 60,000 Indo-Chinese boat people were welcomed to Canada. Over 34,000 of them were resettled with private support from some 7,000 sponsoring groups.

The goals of our refugee policies are consistent with our larger foreign policy objectives—namely, humanitarian assistance to disadvantaged peoples and our interest in a stable and just international order. Canada has the capacity to play a major international role in promoting these goals. Geography insulates us from the immediate problem of refugees. We are also one of the few countries in the world with the economic and social capacity to resettle substantial numbers of refugees, and we will continue to do so. As George Cram of the Anglican Church of Canada described it,

> Canada has a unique ability and critically important role to play in the family of nations, to set some standards and be, in some ways, the standard setter for refugee policy areas. (56:19)

The committee considers it especially important to affirm that refugee and immigration policy, though related to one another, are quite distinct. Many refugees have proven to be capable and hard working citizens and have sometimes established themselves more readily here than other immigrants. But refugee policy is not guided by these considerations. It is an aspect of the overall Canadian policy of extending humanitarian assistance to others, while immigration policy is governed to a much greater extent by Canada's economic and social self-interest. It is therefore important that economic cycles, which play a major role in determining immigration flows, not be allowed to dry up the humanitarian impulse that lies behind the welcome Canada extends to refugees.

The danger of confusing refugee and immigration policy is greatly exacerbated by the enormous increase in people claiming refugee status. Refugees are normally defined as people seeking asylum outside their country of origin because of a well founded fear of persecution for reasons of race, religion, nationality or political opinion. Also included are those who cross borders when fleeing from external aggression or the breakdown of public order. Numbers in the latter categories grew alarmingly in the early 1980s, principally as the result of such events as the Soviet invasion of Afghanistan and the turmoil in Central America. It is estimated that the worldwide population of such refugees is now in excess of 10 million. More recently, deteriorating economic conditions in many developing countries have swelled the number of people seeking refugee status as an escape route from hardship. There has been intense international debate about whether any such people should qualify as refugees.

Worldwide refugee pressures have contributed in turn to a tremendous backlog of refugee claimants in Canada. This problem stems from attempts to differentiate 'legitimate' refugees from those who should be considered part of the normal immigration process. It is clear that the refugee determination process needs reform. The objective should be to establish a system that, first and foremost, embodies our international commitment as a signatory of the United Nations Declaration on Refugees while providing an effective and timely method of identifying legitimate refugees.

The government recently announced a package of reforms to the refugee determination process as well as plans to clear up the present backlog of applicants. The committee has not reviewed or evaluated these measures. We would only reaffirm Canada's traditional commitment to providing immediate sanctuary for those fleeing persecution while the refugee determination process is completed. **We think it particularly important that Canada remain generous in providing sanctuary to Central American refugees that are the victims of repression and violence. We strongly support the government's decision to extend an oral hearing on questions of merit to all claimants.**

In addition to its domestic refugee policy, Canada has been among the strongest supporters of international agencies helping refugees, such as the United Nations High Commission for Refugees (UNHCR) and the International Committee of the Red Cross. We commend this policy and strongly urge its further development. Despite its strong support for the UNHCR, Canada has no representation in the senior ranks of the organization. **The government should press for Canadians to be appointed as senior officials of the United Nations High Commission for Refugees. With adequate representation, Canada should support the UNHCR in updating international refugee programs and coming to grips with outstanding policy questions, such as the definition of 'refugee' under international agreements and the rights and responsibilities of host countries.**

Despite the best efforts of the international community, the provision of refugee assistance has occasionally stalled in a semi-permanent situation of international welfare dependency in huge refugee camps. These camps are, in turn, the breeding grounds for bitterness and resentment among the refugees and objects of intense hostility among the citizens of host countries. A promising initiative to avoid these dangers was brought to the committee's attention. CIDA has made a substantial contribution to a project of the UNHCR and the World Bank to generate income for Afghan refugees in Pakistan. The project, involving reforestation and road reconstruction, was designed to benefit the refugees and the host country and to be sensitive to the people of Pakistan. Discussions are currently under way for a second phase of the project. **We strongly urge Canadian support for refugee income generation projects, such as the one for Afghan refugees in Pakistan, to assist refugees to be as self-supporting and productive as possible while seeking their repatriation or permanent resettlement.**

The primary role of this committee is to recommend general policy approaches and principles. It is obviously beyond the ability of any such investigation to consider the many individual circumstances to which those principles apply. But in the area of human rights three cases call out for attention and comment—Afghanistan, South Africa and Central America.

Afghanistan

In recommending generous Canadian humanitarian and development assistance to the Afghan refugees, we are moved by the extraordinary brutality that has caused their plight. The Helsinki Watch Committee, the United Nations Human Rights Commission and other highly reputable human rights organizations have documented the most extreme gross and massive violations of human rights arising directly from the Soviet occupation of Afghanistan. Commenting on the various reports that reach the international community, Canada's Ambassador to the United Nations has observed:

> You have in the...reports, the microcosm of a nation massacred and mutilated. Over one million dead. An equal or greater number physically scarred by the battle for life. Between one and two million uprooted, ravaged and homeless in their own land. Four to five million [out of a total population of 16 million] as wretched refugees in Pakistan and Iran. (Speech to the United States General Assembly, November 12, 1985)

This wholesale destruction of a people is being carried out by the Soviet Union and its puppet régime in Kabul for no other reason than crude geopolitical ambition. The Soviet Union has dispatched over 100,000 of its troops with the immediate aim of violent repression and the longer-term objective of reducing Afghanistan to a Soviet colony. As has happened so often in the history of colonialism, the imperial power failed to reckon with the national spirit and independence of the people. Despite the terrible slaughter, the Afghan people have not been subjugated. They are continuing to fight.

In these circumstances, what can the international community do? Appealing to Soviet public opinion cannot work because the Soviet media do not report on the situation in Afghanistan and there is no opportunity for opponents of Soviet policy to voice their opposition within the country. The only existing leverage arises from the adverse effect on the USSR of international public opinion. It is essential that the spotlight be kept on Afghanistan by the news media of the world and by international organizations. Meetings have taken place in Geneva between Soviet representatives and officials of the United Nations, as well as between the foreign ministers of Pakistan and Afghanistan. We strongly urge the United Nations to continue to its efforts to achieve a negotiated settlement in Afghanistan involving, as a *sine qua non*, the withdrawal of Soviet troops.

Such a settlement may take years to achieve, although we are confident that the Soviets will come to accept its inevitability. In the meantime the suffering continues. **The committee recommends that Canada continue to give high priority to providing humanitarian and medical assistance to Afghan refugees in Pakistan and that it strongly support the efforts of the International Red Cross and the United Nations High Commission for Refugees in particular. In its bilateral relations with the Soviet Union, Canada should take every opportunity to raise the issue of Afghanistan and make clear that Soviet occupation and devastation of that country constitute a serious obstacle to improved relations.** In that connection we recommend the continued use of frank and direct language by Canada's representatives in United Nations forums in New York, Geneva and elsewhere.

South Africa

Each case of human rights violation is unique. Afghanistan is a case of massive violations arising from foreign occupation. South Africa is a case of institutionalized racism that is reflected in every aspect of life—personal, social, political and economic. Whites are citizens, blacks are sub-citizens, at the mercy of white law. Although condemned for 20 years by the international community, apartheid has remained intact.

During the 1980s the black people of South Africa have shown themselves increasingly prepared to pay any price to claim their human rights. The white government of South Africa, faced with this growing militancy, has replied with a combination of harsh repression and mild reform. The price in blood and suffering has been high: some 1,500 people have been killed in the past 18 months, and countless

more have been injured and imprisoned. The sense of drift towards steadily greater confrontation and massive violence grows daily.

Faced with this situation, the international community has begun to apply concerted pressure on South Africa. The government of Canada, supported by all parties and the overwhelming majority of the Canadian people, has made its opposition to apartheid very clear. Speaking in the House of Commons on September 13, 1985, the Secretary of State for External Affairs declared that "Canadians are offended by and abhor the practice of institutionalized racism by a society that claims to share our values." He went on to say that "the government of South Africa should have no doubt that we will invoke full sanctions unless there is tangible movement away from apartheid." The question before the government and this committee is whether "tangible movement" is occurring and, if not, how and when to apply sanctions.

These questions were debated extensively before the committee. We are persuaded that severe economic sanctions, if widely supported, would be effective in putting pressure on the South African government. As one witness pointed out, the proof of their effectiveness is that South Africa has made advocacy of international sanctions a treasonable offence. Testimony before the committee persuades us that the best means of using this instrument is through unrelenting and co-ordinated step-by-step pressure by the international community.

Canada is currently seeking to work within the Commonwealth as a channel for international influence. The Commonwealth Accord, agreed to in Nassau in October 1985, imposed a limited set of sanctions and called upon the government of South Africa to take a number of steps "in a genuine manner and as a matter of urgency":

(a) Declare that the system of apartheid will be dismantled and specific and meaningful action taken in fulfilment of that intent.

(b) Terminate the existing state of emergency.

(c) Release immediately and unconditionally Nelson Mandela and all others imprisoned and detained for their opposition to apartheid.

(d) Establish political freedom and specifically lift the existing ban on the African National Congress and other political parties.

(e) Initiate, in the context of a suspension of violence on all sides, a process of dialogue across lines of colour, politics and religion, with a view to establishing a non-racial and representative government.

The Accord also established a Group of Eminent Persons, including Archbishop Edward Scott, Primate of the Anglican Church of Canada, to promote dialogue between the black majority and the South African government as well as monitor and report on the pace and direction of change. The Group was to report to a Commonwealth group of seven heads of government, including the Prime Minister of Canada, which is responsible for formulating further Commonwealth action.

The committee wishes to give strong but qualified support to this process. It is our hope that the Group of Eminent Persons will be able to play a useful and constructive role in encouraging South African dialogue. Failing that, they may help build consensus about future action. It must be recognized that there are major obstacles—particularly the resistance of Great Britain—in the way of strong, co-ordinated action by the Commonwealth. It is therefore incumbent upon the government of Canada to prepare careful contingency plans of its own and to play a leadership role in the Commonwealth.

If the Commonwealth Group of Eminent Persons had reported that significant but insufficient progress was occurring in dismantling apartheid, the committee had agreed to recommend that Canada take the lead in preparing a further Commonwealth action plan consisting of specific sanctions such as those listed in clause 7 of the Commonwealth Accord of October 1985. These include (a) a ban on air links with South Africa; (b) a ban on new investment or reinvestment of profits earned in South Africa; (c) a ban on the import of agricultural products from South Africa; (d) the termination of double taxation agreements with South Africa; (e) the termination of all government assistance to investment in, and trade with, South Africa; (f) a ban on all government procurement in South Africa; (g) a ban on government contracts with majority-owned South African companies; and (h) a ban on the promotion of tourism to South Africa. Canada has already implemented three of these measures.

Now that the Group of Eminent Persons has reported—as we feared it would—that no significant progress is occurring in dismantling apartheid, Canada should move immediately to impose full economic sanctions, seek their adoption by the greatest possible number of Commonwealth members, and promote similar action by non-Commonwealth countries.

In any event, we strongly urge establishment of a black South African human rights and democratic development program. Canada established a scholarship program for black South Africans in 1983 and has since expanded it. We strongly support this approach and encourage further efforts to assist in building black social, economic and political institutions towards the day when black South Africans will exercise their full rights as citizens.

We encourage the government to expand direct contacts at the highest levels with black political organizations in South Africa. Bearing in mind that lifting the ban on the African National Congress (ANC) and releasing from prison its leader Nelson Mandela are two of the steps called for in the Commonwealth Accord, such high-level contacts should certainly include the ANC.

In addition to the situation in South Africa, the committee is deeply concerned about the well-being of the black countries neighbouring on South Africa. **Canada should continue to provide generous amounts of direct assistance and support international efforts, such as those of the Southern African Development Co-ordination Conference, to help South Africa's vulnerable neighbours cope with the economic difficulties that international sanctions directed at South Africa will create for them as well as to overcome punitive measures that the South African government might direct against them.**

We are under no illusions that the situation in South Africa can be transformed without further violence. No matter what the international community does, more bloodshed and racial conflict are bound to occur in South Africa. But we do believe that the route proposed by the Commonwealth Accord offers the best hope for transition towards a basically democratic society. The ending of apartheid, even if offered quickly, is unlikely to end the violence, because the repressive acts of the white minority have created animosity that will not easily be contained. But without international pressure to supplement domestic resistance, change will not occur fast enough to prevent even greater violence and bloodshed. The series of steps we propose is intended to convey a message to white South Africans that they must begin serious dialogue with their black countrymen and is offered in the hope of encouraging genuine reconciliation among the people of South Africa. The spirit that should guide all efforts is captured in the words of Nelson Mandela:

> I want to impress this on the whites of South Africa. Although we will be the majority, that doesn't mean the minority will lose their power, their participation, their economic life. I believe that the whites here, unlike anywhere else in Africa, belong here. This is their home. We want to share that home, and share power with them.

Central America

The third case of human rights to which we turn our attention—Central America—presents yet another pattern of gross and persistent human rights violations. It is estimated that some 150,000 to 200,000 people have been killed over the past decade through repression and civil war in El Salvador, Guatemala and Nicaragua. In turn, this violence has generated an estimated 1.5 to 2 million refugees, roughly 10 per cent of the population of the region. In addition, there has been widespread economic destruction, which, together with international economic pressures, has pushed Central America to the brink of economic collapse. This suffering has given rise to widespread international concern, a concern that is shared by large numbers of Canadians.

The committee received more submissions on Central America than on any other single subject. A remarkably large number of witnesses had first-hand experience in this area, often as aid workers or members of visiting delegations, and spoke with greater conviction and knowledge as a result. Many of the briefs pointed to Canada's special interest in promoting human rights in Central America, including the concern for refugees, development assistance programs in the region, and the negative effects of regional instability on the western hemisphere. The briefs and submissions expressed the concern—which we share—that human rights violations in Central America arise from the failure of economic development, the frequent absence of political alternatives to dictatorships and military régimes, social upheaval, increasing cycles of violence, and external intervention.

In trying to arrive at a fair and balanced understanding of the crisis in Central America, we were guided by the earlier work of the Sub-committee on Canada's Relations with Latin America and the Caribbean. The words of its 1982 report are as true today as they were when they were written:

> The mounting violence in Central America, which is threatening to engulf the entire region, arises primarily from internal causes. It is, however, reinforced and spread by the injection of outside ideological concerns and by the provision of military assistance to both repressive governments and revolutionary groups. Far from promoting stability, the policies of neighbouring countries tend to perpetuate and intensify instability.
>
> The Sub-committee recognized that Central America and the Caribbean are of vital importance to the United States and to the western alliance. Efforts should be made to protect these regions from superpower rivalries. The independence of all countries should be respected, and outside military involvement from whatever source should cease. (*Final Report*, pp. 11-12)

Since that report was written, the situation has evolved. Many witnesses expressed the view that, in the interval, U.S. policy has contributed to massive militarization of Central America and thereby to widespread and chronic human rights abuses. They advocated a more active role for Canada in criticizing the U.S. administration's support for the Contras, and most briefs included a recommendation that Canada open an embassy in Managua. The witnesses went on to say that, in its search for a military solution to what is essentially a set of social and economic problems, the U.S.

government has armed and helped greatly to expand Central American military forces, which have shown themselves repeatedly to be indifferent to human rights. **A majority of the committee believes that it must be stressed that U.S. policy has been designed, in part, to counter other foreign military intervention in Central America and that Canada should oppose outside intervention in Central America by all countries.**

A few committee members consider that the government should make strong public representations to the government of the United States that it adopt a policy towards Central America based on the need for social, economic and political reform in the place of the current policy, which stresses East-West conflict and militarization.

The same minority would also like Canada to join the initiative of the foreign ministers of the Contadora Group and the Lima Support Group to impress upon Washington the need to try to bring the conflict to an end and to change its policy towards Central America. We are all agreed, however, that Canada should continue to oppose outside intervention in the region, including the funding of such groups as the Contras and the provision of outside forces.

In making these general observations about Central America, the committee wishes to draw attention to the varying situations in the five republics of the region. While the human rights prospects in some of these countries remain uncertain at best, there are also important signs of hope and progress.

Guatemala has the worst human rights history in Central America, a history that reached its nadir in the early 1980s in a brutally efficient military search and destroy campaign against guerillas and Guatemala's large Indian population. As a result of human rights violations, Canada ended its official development assistance program. We are encouraged by the fact that politically motivated human rights violations have declined over the past year. The election of a new civilian president in comparatively honest elections is a hopeful sign, though it remains uncertain whether President Cerezo's government can bring the military under control. We welcome the Guatemalan government's proclaimed respect for human rights and support for regional peace. Canada should seek, through non-governmental organizations, to support projects designed to help the poorest people in Guatemala, as well as the process of social and economic reform. Guatemala also presents the opportunity and need for Canadian co-operative programs of human rights and democratic development.

El Salvador, Guatemala's neighbour to the south, continues to suffer the ravages of a five-year-old civil war that has brought widespread human rights violations and economic devastation. It is clear that human rights abuses have been committed by both sides in the civil war, although Amnesty International continues to report that the vast majority of violations is being committed by right-wing death squads and security forces under the control of government authorities. The number of politically motivated murders has declined significantly over the past two years, although human rights organizations in San Salvador still report four to six assassinations by death squads every month.

The 1984 election of a civilian president, Napoleon Duarte, was seen at the time as a step in the direction of political reconciliation. Regrettably, the Duarte government's control of human rights violations and ability to promote economic and social reform is limited. We are encouraged, however, by the government's recent offer to resume negotiations with rebel forces and the acceptance of that offer by the rebels. Canada's own role in this situation must be to encourage dialogue and to ensure that the

Canadian aid program is directed very carefully at providing help to refugees and to the rural and urban poor. We think this can best be achieved through experienced, reputable and independent Canadian and Salvadoran non-governmental organizations that extend humanitarian and other assistance on the basis of need and not political considerations.

Honduras, like El Salvador and Guatemala, illustrates the individuality of Central American countries. Though it is the poorest country in the region, its domestic human rights history has been less extreme than that of its immediate neighbours. The main problems facing Honduras are the intensifying poverty of many of its people and the dangers that arise from serving as a staging base for the U.S.-directed war against Nicaragua. There are encouraging signs that the civilian government of Honduras has growing misgivings about the activities of the Contras operating out of its territory and is seeking ways to promote dialogue with its neighbour to the south, Nicaragua. Canada's role should be to prevent any of its substantial development assistance being used to contribute to the militarization of the country and, at the same time, to encourage dialogue between Honduras and Nicaragua.

Nicaragua is at the centre of the storms that have raged throughout Central America for the past decade. The 1979 revolution toppled a brutal and corrupt political dynasty first established in the early 1930s. At the same time it opened a door on revolutionary change and turmoil in the region.

The Sandinista government has made significant progress in meeting the basic human needs of the poorest Nicaraguans, particularly through its literacy, health care and land reform programs. In the course of implementing these and other reforms, the Sandinistas have been accused by some critics of moving Nicaragua towards a totalitarian state. Internal opposition to the government has been succeeded by a U.S.-supported guerilla war and economic blockade. Human rights organizations have reported widespread and extensive human rights violations by the Contras. These same organizations report that human rights abuses have been committed by the government of Nicaragua, particularly against the Miskito Indians. These reports have been acknowledged and acted upon by the Nicaraguan government. Amnesty International also documents substantial numbers of political detainees and harassment of opposition political figures. It is equally clear, however, that the human rights abuses committed by the government of Nicaragua do not begin to compare in scale or intensity with the violations connected to the governments of Guatemala and El Salvador over the past five years.

Canadian policy towards Nicaragua should consist of three elements: first, continuation of official development assistance programs directed at helping the poorest people; second, staunch support for political pluralism and religious freedom in Nicaragua; and third, support for a negotiated settlement of the differences between Nicaragua and the United States.

Some members of the committee agree with the many witnesses who recommended establishing a Canadian embassy in Managua. Nicaragua is currently looked after by the ambassador in Costa Rica, who is accredited to four states in the region. An embassy in Managua would certainly have practical value in increasing the flow of information on developments in Nicaragua, providing increased support for Canadian development assistance projects in that country, and helping to speed up the processing of immigration applications. The utility of opening a mission in Managua would have to be examined in relation to Canada's overall needs for diplomatic representation in Central America. Despite the evident concerns of a significant number of Canadians,

Canada's commercial and immigration interests in Nicaragua are in fact quite limited, and they appear to be looked after adequately under current arrangements. Unless there is a marked increase in trade, aid, immigration or other ties, an embassy should not be a priority. Accordingly, **a majority of the committee opposes the proposal for immediate establishment of a Canadian embassy in Managua but urges the government to monitor the opportunities that might arise.**

Finally we come to *Costa Rica*, the southern-most of the Central American republics, which continues its tradition of general respect for human rights. There have been worrying signs that Costa Rica was progressively being drawn into regional conflict and would itself fall victim to polarization and violence. We are encouraged, however, that the new government of President Oscar Arias has taken several positive steps to arrest this trend and to strengthen Costa Rica's role as a peace maker in Central America. In particular, the conclusion of a border agreement with Nicaragua is evidence that concrete progress can be made in resolving regional conflicts. Canada should continue to provide generous assistance to Costa Rica and strongly support Costa Rica's efforts as a regional peace maker.

In the course of presenting this brief review of Central America, we have demonstrated repeatedly our conviction that the promotion of human rights in the region depends critically on political and economic reform within the countries, peace between them, and an end to superpower—and particularly U.S.—intervention in the region. Above all, Central America needs breathing room to find its own solutions to its own problems. We are encouraged that the governments of the region are beginning to assert their independence and to expend effort in the search for peace.

Many Canadians believe that Canada can and should be very active in Central America. In addition to supporting the Contadora process and dialogue within and between individual countries, Canada should promote human rights in Central America by maintaining a generous refugee policy for those who are the victims of human rights violations. Some 8,300 Central American refugees came to Canada in 1984 and 1985 alone. **While Canadian influence over the security policies of other countries is limited, Canada has a special opportunity to offer direct, practical and desperately needed help to the hundreds of thousands of refugees in the region. We would urge two Canadian initiatives: establishment of a 'Refugee Watch' program with other countries and non-governmental organizations to provide greater security in the refugee camps; and active support for economic development and self-sufficiency programs for refugees. The government should also strengthen Canada's capacity to monitor human rights situations in Central America, paying particular attention to the circumstances in each country and the views of Canadian NGOs in these countries. Canada should promote co-operative programs of democratic and human rights development and support elements in these countries favouring progress in human rights.**

CHAPTER NINE

Improving Canada-U.S. Relations

A theme running through the testimony and clearly a preoccupation of virtually every witness appearing before the committee was how Canada should relate to the United States. This is the dominant fact of Canada's international relations—just as it is an integral and inescapable element of Canada's economic, financial, agricultural, cultural and environmental policies. Scarcely anything Canada does at home or abroad is not influenced by being the neighbour of the country with the world's most powerful military forces and strongest economy, a country that is also the undisputed leader of the Western Alliance and a centre of dynamic and pervasive cultural activity. Canada's difficulties in adjusting to living next to the United States have two quite different sources. It helps to distinguish between these sources, even though their effects may be closely interrelated and hard to separate. On one hand, Canada is exposed to the pressures that result from being adjacent to the world's largest and most vigorous English-speaking country—without the moderating influence of several other countries sharing the North American continent. On the other hand, Canada also feels the effects of lying along the enormous length of the northern frontier of a superpower whose security preoccupations are focused in a northerly direction.

Our report faces squarely the complications and difficulties these conditions have caused for Canadians. Several chapters have sections dealing specifically with the U.S. dimension of the subject being treated. But the issue is so predominant that we decided the report should have one chapter focused entirely on this practical question: how should Canada manage its relations with its powerful and vibrant neighbour?

The Canadian federation was conceived in part as a response to the challenge posed by the self-confident growth and expansionist instincts of the United States. Paradoxically, this challenge, which has persisted to this day, is the stronger because the peoples of the two countries appear—at least from a distance—to share so much: a common political heritage, a deeply held respect for human rights, a commitment to the market economy, a belief in the benefits of individual entrepreneurship, the same language—except for French-speaking Canadians and Hispanic Americans—a similar cultural tradition, and a generous, idealistic and optimistic approach to the world and its problems. But looked at more closely, and particularly from the perspective of Canadians, many of these similarities hide important, even profound, differences. The common political heritage masks differing views of the state, which Canadians tend to trust more than Americans do; a preference in Canada for 'peace, order and good government' over 'life, liberty and the pursuit of happiness'; and different political

systems. In Canada power and responsibility converge in the fusion of the legislative and executive functions, whereas in the United States power is constitutionally separated into the ceaseless tension between the executive and legislative functions. The commitment to the market economy in Canada has from the earliest days included pragmatically a role for the state to the point where Canada more closely resembles a mixed economy. The United States has relied on anti-trust legislation and the struggle between competing economic units to limit the power of companies, whereas Canada has established state enterprises to compete in the market and to limit the growth of excessive economic power. With an economy that has attracted foreign investment since the early days, Canadians have looked to the state to set limits on the activities of foreign enterprises. The belief that Canadians share in the benefits of individual enterprise is moderated to a far greater extent than in the United States by an extensive network of social support. The cultural world likewise reflects these distinctions, with the Canadian government providing both financial support and a degree of protection from outside competition—mainly from the United States. This approach is quite different from what prevails in the United States and is even strongly resisted by Americans.

Similarity and difference are the watchwords of the relationship. Canadians spend much of their time trying to be something other than American, a goal that challenges them because geography and history have given them a character that the rest of the world identifies as North American—or, more frequently, simply American. So Canadians are locked in a continuing interplay with the American people—the people with whom they share most in the world. The fact that the United States leads the Western Alliance just adds to the complexity of the personal relationship. All of this has given Canadians a unique capacity for detachment and for seeing problems as others see them. This experience has strengthened the internationalist outlook of Canadians and helped them approach the world constructively and with understanding.

For over a century, the two countries have followed their separate but parallel destinies; in the process, each has grown stronger and more self-assured. All the while vast and unprecedented technical changes have modified the way the world works, speeding up and multiplying the links that connect the two countries and their peoples. Space no longer provides the shield it once did. Personal, corporate and institutional linkages are now so intertwined that there are no longer simple solutions to any problems. Almost every public action in one country affects the interests of people in the other.

Two complex and highly democratic federal governments, each responding to public pressures supported by a multitude of non-governmental organizations, are striving constantly to cope with the problems of modern societies and in the process—because the two countries share the continent—bumping into each other. The difficulties both governments experience in making their own federal structures work and in handling the tensions between three levels of government should cause Canadians to appreciate that co-operation between two independent countries is never easy, even with the best will in the world.

As the smaller country, Canada is inevitably more concerned to assert its independence and quicker to perceive challenges to its sovereignty and independence. U.S. challenges can be particularly hard to handle when they are a function of private initiatives rather than actions of government. The annexationist instinct that used to enjoy support in the United States no longer poses a threat. Instead, the pressures Canada faces today often result from the restless energy of Americans acting separately in pursuit of their interests—expressed in such diverse forms as a take-over bid for a

Canadian company by a U.S. corporation, a U.S.-based organization trying to spread ideologically extreme doctrines in Canada, or Exxon sending the *Manhattan* through the Northwest Passage. Moreover, U.S. government action in the domestic arena—for example to deregulate transportation industries or to change their tax depreciation regulations—increasingly impinges directly on Canada. Such initiatives, public or private, especially when taken together, can constitute a challenge to Canada, and specifically to Canadian policies in areas as diverse and fundamental as investment, cultural affairs and energy. But when they flow from the actions of a multitude of private citizens or corporations, their implications are sometimes harder to perceive—indeed their consequences may even be the subject of debate in Canada—and for that reason may be more difficult to resist.

The contacts between Canadians and Americans dwarf those between any two other countries in the world. Apart from those between officials of the respective governments—federal, provincial and state—they encompass trade unions, businesses and their associations, sporting teams, tourists, fraternal and professional associations, to name only some of the most obvious. There are more than 30 million border crossings annually between the two countries, and trans-boundary data flows and telecommunications outstrip those between any other two countries.

Broadly speaking, the challenges Canada faces with respect to the United States arise in two different contexts: situations where the problem is primarily bilateral and situations where U.S. action or policy is multilateral in its thrust. In the former cases Canada must usually act alone to defend its interests; in the latter, the Canadian response would normally be co-ordinated with those of other governments—or at least take account of them.

Source of Disputes

It is important that Canadians understand that bilateral problems are bound to arise with the United States. They are the unavoidable and natural consequences of two closely interconnected countries with different goals, different interests, different traditions. Although it is difficult to generalize, at the bilateral level problems frequently arise either because the two countries respond differently to something that happens abroad or because domestic pressures in one country or the other cause that government to change the ground rules. Some illustrations will make the point. The Canadian decision to establish the National Energy Policy (NEP) was a response to OPEC's success in raising the price of oil, to the consequence of increased oil revenues for the Alberta and federal treasuries and to the high proportion of oil companies operating in Canada that were foreign-owned. What mattered for the United States, which had been affected differently by higher oil prices, was that they saw in the NEP a retroactive change in Canadian exploration regulations and discriminatory treatment of foreign-owned firms in terms of government grants and company procurement.* In addition the U.S. government feared that other countries might follow the Canadian example.

Problems can also arise because of the success of an industry in one country or the other in which government may have played no part at all. The troubles now facing the Canadian softwood lumber industry in the United States are a product of the industry's efficiency combined with the low value of the Canadian dollar. In this instance the U.S.

* This last complaint was subsequently upheld by a GATT panel.

administration and, even more, the Congress are under pressure from the U.S. lumber industry, which has seen its share of the market fall by over 10 per cent in a few years. More recently, the Canadian shakes and shingles industry was singled out because of its success in almost doubling its sales in three years to gain three-quarters of the U.S. market. In cases such as this, the strength of democratic institutions in the two countries acts to magnify the problem; senators and representatives from lumber-producing states must demonstrate their support of local interests or risk defeat in the next election. In the months preceding congressional elections, the president himself is especially vulnerable to political pressure from industries that are having difficulty competing with imports.

Still other problems are the inescapable consequences of geography. As the United States runs short of natural gas or water in the southwest, the abundance of these resources in Canada will generate increasing pressure on the government of Canada to change its export policies for these commodities. Nor do environmental problems recognize international borders. Technology can also be a source of tensions. New communications technologies are undermining the agreed rules for handling television and radio transmissions between the two countries, in the process challenging essential supports for Canadian culture. Advances in the technologies for catching fish and drilling for oil on the ocean floor have already caused maritime boundary disputes between the two countries where previously none existed.

The variety and sources of problems between Canada and the United States are almost without limit. Canada may sometimes be an unintended victim of a U.S. policy aimed at another target. For example, the United States has become increasingly angered by the European Agricultural Community's subsidization of European agriculture, by the growth in production this has generated, and by the loss of foreign markets to subsidized European grain exports. The Congress finally retaliated with a farm bill designed to confront the Community's agricultural policy. In that process, and almost unnoticed, the other major grain producers—Australia, Argentina and Canada—are likely to suffer grievously. It is no comfort for the victims to know that the damage was not intended. Furthermore, since the real target is elsewhere, it is hard even to get the attention of Americans in this matter.

We have commented at some length on the diversity and origin of the problems between Canada and the United States because we consider it important to demonstrate that they arise naturally from the interplay of social, economic and geographic forces. No matter how good the relations between the two governments and between Canadians and Americans, problems are bound to occur. However, problems are normally more manageable when relations are good. With a constructive approach and a business-like atmosphere, which includes not overreacting to individual concerns, there is usually a greater likelihood of reaching mutually satisfactory accommodations.

It is also important that both Canadians and Americans look ahead and talk frankly about potential problems before they reach the political agenda. But while it may not be difficult to identify emerging issues such as the export of fresh water and the effect of new communications technology on Canadian cultural policy, mutually acceptable solutions are very much more difficult to identify. In facing these new challenges, the many layers of personal communication that exist between the two countries, through universities, professional associations and private sector groups as well as governments, can at times be a priceless asset. Through this array of channels, continuous and multifaceted probing of problems is possible, and the prospects for working towards mutually acceptable solutions are increased. And because some problems may be intractable, at a minimum such communication makes it easier to tolerate and live with them.

One of the unique features of the North American scene is the number of common associations, ranging from international trade unions, such as the Machinists and the Steelworkers, fraternal organizations like the Lions and the Shriners, to professional associations such as heart surgeons and heavy equipment distributors. These associations number in the tens of thousands. The weight and autonomy of the Canadian membership varies in each. A phenomenon of recent years, and a demonstration of increasing Canadian assurance and assertion, has been the withdrawal of the Canadian component from international organizations, with the Canadian Auto Workers being the most publicized recent example. The result has been the development of an increased capacity within Canada for defining and expressing Canadian interests.

Maintaining Perspective

Problems are unavoidable between close neighbours, and Canadians should not allow their differences with the United States to get out of perspective. These difficulties are often made to appear worse to Canadians by the way they are handled in the U.S. political process. Newspaper accounts of the number of bills pending in the Congress that are potentially hurtful to Canadian interests are a case in point. Thirty thousand bills are introduced in the average two-year congressional session; a large number are drafted solely to gain favour with constituents or a special interest and are never expected to come to a vote. There is, of course, ample reason to be wary of the unexpected turns congressional politics can take, but Canadians should be careful not to overreact to developments within the U.S. political system that amount only to posturing before a domestic audience. At the same time, Canada should take the power of Congress seriously and not place too much reliance on the capacity of a president to 'deliver' the Congress.

There are, of course, inherent differences in the way the two countries approach problems, often reflecting differences in capabilities and, consequently, in the means they choose to employ. The military power of the United States gives it a capacity for unilateral action that Canadians can scarcely conceive of exercising. With the limited means available to the Canadian government, it tends to look instinctively for multilateral solutions and accords greater importance than does the United States to support for the rule of law.

The process of looking for solutions to problems is the more challenging for Canada because of the formidable force wielded by the U.S. government. Stephen Clarkson impressed upon the committee that the United States could henceforth be expected to devote increasing attention to managing its bilateral relations with Canada, emulating an approach adopted by Canada some time earlier.

> In the past—let us say two or three decades ago—Canada did not have an American strategy. It simply dealt ad hoc with each issue as it came up. But now there is a much more strategic approach taken on both sides of the border. The United States is now starting to develop a Canadian strategy: how to deal with all the problems on its agenda, how to co-ordinate its agencies. (28:27)

Canada is not without the means to defend itself, however. Ironically, Canada's mutual links with the United States may, in not a few cases, actually enhance Canada's capacity to protect its interests. Though by no means Canada's only weapon, the trade and investment ties that have been forged between the two countries can be used on

occasion to strengthen Canada's ability to get what it wants and limit the leverage the United States can exert. As John Holmes, an experienced observer of Canadian-American relations, has remarked,

> It is a mistake to think of massive U.S. military and economic power deployed against poor little Canada. On most issues there is a balance of the kind of strength applicable to the matter at hand. (in *Life with Uncle*)

What matters more than anything else is that Canadians should be able to manage their relations with the United States confidently. In this respect, we were interested to learn that many Latin Americans have regarded Canada's handling of relations with the United States as a model to be emulated. The primary requirement is to seek a balance between competing interests, as the Canadian Institute of International Affairs Working Group suggested to us in their submission.

> Situated next to the United States, Canada has to find a balance between the practical advantages of interdependence and the political imperatives of independence. Situated between the United States and the Soviet Union, it has to find a balance between co-operation with the United States in the defence of North America and the protection of Canadian sovereignty. Situated on this continent but with wider commitments and interests, it has to find a balance between its North American vocation, its transatlantic vocation and its global vocation. (4)

Consultation and Agreed Rules

Above all else, good communications are central to a good working relationship. Fortunately, the ease of communication between the two governments should make it possible to assess bilateral issues on their merits and handle them according to procedures laid down in advance. Ground rules that have been set for trade and investment and other private sector activities should be observed. Both government and business are making commitments that extend over a long term and they need to be assured of stability and predictability in the arrangements that will apply to their activities. A relationship so intense, complex and pervasive involves what John Holmes has called "intervulnerability", and it must be reinforced by a substantial degree of mutual trust and confidence. While Canada, as the smaller partner, has perhaps a greater interest in seeing the adoption of agreed procedures for reaching decisions affecting the other country, the United States is likewise vulnerable and shares an interest in mutually acceptable ground rules.

A good working relationship between the two countries requires recognition by the United States that many of its policies and actions affect Canada's interests. Ideally this should be reflected in a determination by the United States to consult Canada prior to undertaking new initiatives. This is an area where Canada has frequently had reason to complain in the past, although it must be recognized, first, that the worldwide interests of the United States enormously complicate the task of consulting any one country and, second, that the complexity of the U.S. system of government and the independent power of Congress mean that specific presidential initiatives may be rejected by Congress. Moreover, in the matter of consultation, Canada itself must set a good example, something it has often failed to do in the past.

The committee recommends that the government not miss any opportunity to emphasize to the government of the United States the importance of advance consultation. As a corollary, Canada should establish its own high standard for

consulting the United States. Consultation in both directions should go far beyond simply giving advance information and should provide time for dialogue, reflection and policy adjustment.

Co-ordinating Canada's Policies and Actions

The management of Canada-U.S. relations offers the best illustration of how consistency serves Canada's interests. Only through co-operative work between responsible agencies of the federal and provincial governments in Canada to promote agreed goals and strategies can Canada's influence in Washington be maximized. The Canadian government must be sure, however, to co-ordinate both the formulation of its objectives and a strategy for achieving them.

One of our panelists, the Honourable Mitchell Sharp, drew on his experience as secretary of state for external affairs to illustrate the difficulties of getting individual Canadian ministers to co-ordinate their contacts with Washington. The problem is a familiar one, created by ease of communication and the vast amount of official business transacted. We are not prepared to recommend a central clearing house for bilateral contacts, which would be quite impractical, but we are concerned about the consequences when Canada speaks with contradictory voices to Washington.

A further problem is raised when provincial governments project themselves into the conduct of relations with the United States. This phenomenon reflects the degree to which questions falling under the jurisdiction of provinces—including environmental, regulatory and industrial development policies—have become the subject of external relations, but it also owes something to the activist stances adopted by several provincial governments on the international scene in the last decade or so. Whatever the cause, it carries a risk of confusing the United States as to Canada's objectives.

There is also a problem of co-ordination in regard to the private sector. It is hard for those not involved in Canada-U.S. relations from day to day to grasp their scale and complexity. Canadians have many and varied interests that are in some way dependent on the United States. Interest groups with a claim to press in Washington may view the bilateral relationship in the narrow perspective of that claim and will often insist that the Canadian government has an unexploited reserve of influence that it should expend on their behalf. The most difficult aspect of co-ordinating Canada's position is to get across to each of these interest groups that a good working relationship with the United States requires a degree of compromise and give and take on their part.

There is no single solution for achieving co-ordination on these various fronts, public and private. There have been notable successes: everyone acknowledges that the co-ordination and co-operation achieved in 1983 by the federal government, provincial governments and the private sector in defence of Canada's exports of softwood lumber is a model to be emulated. In our view, **the effective management of relations with the United States is impossible unless there is a consistent effort made to achieve internal co-ordination of Canadian policies by all the parties concerned.**

Finding Allies in the United States

In the past couple of years Canada has been faced with an extremely protectionist mood in the Congress. The growing U.S. trade deficit, combined with the spectre of

deindustrialization of major sectors of its economy, has given rise to a strongly held view that no trading partner is playing fair with the United States. Canada is not the primary target of this hostility, but its huge trade and current surplus with the United States have made it a frequent candidate for protectionist moves.

How does the government defend Canada's interest in such a situation, where emotions run deep and the potential for irrational action is great? It is important in each situation to find out who Canada's allies are in the United States—or, if necessary, to convert adversaries into allies—and to work with them. During the first phase of our hearings, John D. Allan, chief executive officer of Stelco Inc., described how such a combination of tactics had helped fend off allegations that Canada was subsidizing its steel exports:

> I remember the last session I had; it was in the White House with Edwin Meese. The Ambassador had set it up for just the two of us. The important thing was that it was finally recognized in the whole process that it must be a combination. At first we felt maybe the federal goernment was going to run on its own, but they do not know our industry, they do not know the details of it; they did not know we bring coal from Kentucky; they did not know that one of our main customers was Michelin, which has a plant in South Carolina, and we went in then and saw the appropriate Senators from that state....the best combination of dealing is with the Ambassador or somebody from Ottawa in concert with somebody from the industry; that is vital. (11:15)

It is important that Canada's case be made at every level of the U.S. system and that imagination be used in the search for allies. A combination of persuasive diplomacy and private sector pressure appears to have the greatest effect. Effective co-ordination, patient persuasion, force of example, and constant reiteration of the problem are the keys to success.

Even the most strenuous and highly organized lobbying may not, however, produce the desired results. The merits of Canada's arguments may be totally disregarded if U.S. legislators link the issue at hand with other bilateral issues or even with totally extraneous matters, such as disagreements between Congress and the U.S. administration. To the extent possible, therefore, Canada must seek to put constraints on the freedom of action of the United States. In return, of course, Canada will have to accept similar constraints, but the price may well be worth paying. The most binding constraints are imposed by institutionalized arrangements, such as the GATT and the Canada-United States Automotive Trade Agreement. Auto trade has not ceased to be a source of contention since the Agreement was signed in 1964, but it has never been as vulnerable to the erratic behaviour of the political process as, for example, trade in softwood lumber is today.

There is already a tacitly understood principle of reciprocity. Canada is on stronger ground in refuting U.S. charges of unfair behaviour if it can point to similar behaviour on the part of the United States. Canada should, for example, meet accusations of unfair Canadian procurement practices by complaining about 'Buy American' legislation, or challenge support for regional subsidies with complaints about small business or minority group set-asides.

Another potentially useful principle is that of keeping each bilateral issue isolated from the rest. We agree with Stephen Clarkson's recommendation to avoid linking one bilateral issue to another in negotiations whenever possible. Canada has been justifiably concerned that the United States, by its weight and influence and by the fact that it has relatively less at stake, would be able to trade off one issue against another if they were

linked, leaving Canada with a complete loss on some issues. Negotiating each issue separately implies at the least a compromise position. We note, however, that it is not always possible to avoid some linkage.

Disagreeing with the United States

Canada's dealings with the United States encompass a broad range of multilateral questions, such as the conduct of the Geneva talks on nuclear and space weapons, the U.S. stance on unrest in Central America, the agenda of the forthcoming GATT round, or the question of support for the United Nations and its agencies. Judging from experience, Canada will not share the views of the United States on at least some of these subjects. We have therefore felt it necessary to review how Canada should handle its disagreements over multilateral questions with the United States and, in particular, whether it should make those differences public or express them quietly behind the scenes.

The committee accepts the view that some of Canada's influence with other countries comes from the perception that it is able to carry weight with the United States. Canada's stature in the world rises if it is thought to be capable of making an impact on thinking in Washington. Apart from the natural desire to be effective, this is an additional reason for giving careful thought to how Canada expresses its opinions in Washington. Influence is an asset to be husbanded and used cautiously.

The more aggressive role now being played by Congress, coupled with the lack of party discipline, has meant that a high proportion of important decisions in the United States emerge from an uninhibited and public contest between conflicting points of view. Sometimes a strong public statement by a respected foreign government may tip the scales in the U.S. debate, but this kind of intervention needs to be thought through carefully. Apart from sometimes contributing to the U.S. debate, Canada has its own interests and agenda. There are many occasions when the government must speak out in Canada and explain its position on major international questions to its own public, especially when the subject is controversial. At the same time, Canadians must have the maturity to accept that the U.S. government has a similar freedom to comment on policies being followed by Canada and other countries.

We conclude that the government should remain flexible in its choice of means to express disagreement with U.S. policies on international issues. The government can vary the degree of publicity accorded to such disagreement in terms of its language, the forum in which it is expressed and the stature of the spokesman. The choice of tactics should depend on the specific circumstances, keeping in mind not just the point at issue, but also the extent of Canada's interest and the importance attached to it by the U.S. government.

Bilateral Mechanisms

There have been many proposals for supplementing the multitude of ad hoc contacts between governments of Canada and the United States with institutional innovations or improvements. Recently proposals have come with greater frequency because of some new problems in the bilateral relationship. Foremost among them is the idea of a Joint Commission on Trade and Investment, empowered to undertake fact finding, make recommendations, and alert both sides to disputes that are threatening to emerge in the future.

There is a powerful attraction for Canada in such proposals. Canadian governments have an urgent need for advance warning of initiatives being contemplated within the executive branch of the U.S. government, whether they are new import measures, new investment regulations or new weapons systems. There is also a recurring need to concentrate the minds of senior U.S. decision makers on Canada.

We are not recommending, however, that the government move quickly to establish any new bilateral institution. Each new issue that arises is often quite unlike those that preceded it, involving a different set of players on both sides and requiring a new strategy and approach on Canada's part. A commission made up of appointed members could fall into disuse, as did the Canada-United States Ministerial Committee on Trade and Economic Affairs, which met for a few years during the late 1950s and early '60s.

One model put forward by advocates of the proposal is the International Joint Commission (IJC), and its experience provides grounds for proceeding cautiously. Useful as it has been in resolving local trans-boundary water disputes and in monitoring environmental conditions in the Great Lakes, the IJC has proved incapable of tackling the acid rain issue, because a political consensus for action does not yet exist. Trade and investment are two particular politically sensitive policy areas, and it can be anticipated that neither government would be prepared to delegate decision-making authority to such a body. It might be a useful mechanism, however, for joint fact finding and for alerting both sides to upcoming problems.

The government should keep an open mind on this suggestion. Great strides have been made in improving Canada's representation in Washington and throughout the United States, and using the diplomatic mechanism, supplemented by direct government-to-government contacts, promises much greater flexibility than new institutions. Nevertheless, should enhanced trading arrangements be negotiated, there will probably be a need for some kind of joint mechanism to adjudicate differences between the two governments within limits spelled out in an agreement. Should any new body be set up, Canada would be well advised to adhere rigorously to the principle of equal representation that has been applied successfully in some instances in the past.

In our view, it is of great importance to Canada to keep the attention of U.S. leaders fixed on the bilateral agenda. New arrangements for doing this at the political level have recently been put in place and are working extremely well. The annual summit meetings inaugurated in 1985 ensure that once a year the Prime Minister and the President survey the principal elements of the relationship. The meetings give the two leaders a chance to discuss and try to resolve the issues they consider most important. The exercise is also useful as a means of concentrating the attention of the vast U.S. bureaucracy on Canadian issues. In addition, in 1982 the Secretary of State for External Affairs and the U.S. Secretary of State initiated the practice of holding quarterly meetings, at which they review all the principal irritants affecting relations between the two countries and try in practical terms to resolve their differences. These two levels of meetings appear to complement each other effectively.

There are always going to be a number of bilateral disputes that are not readily negotiable. In at least some instances, these could do damage to the relationship if left unresolved. Canada and the United States have had recourse to third-party settlement on a few occasions in their history, the most recent being the decision to submit the Gulf of Maine boundary dispute to the International Court of Justice. George Alexandrowicz, representing a joint committee of the Canadian and American Bar Associations, recommended to the committee that the two countries should regularly resort to third-party adjudication as a method for settling disputes.

There are now three major maritime boundary disputes with the United States that remain unresolved—the seaward extension of the boundary line inside the Strait of Juan da Fuca, the seaward extension of point A of the AB line inside Dixon Entrance, and the seaward extension of the land boundary between Yukon and Alaska, in each case to the limit of the 200-mile territorial sea. Both countries have a strong interest in handling these differences in a civilized and efficient way. As a first step, **we recommend that the government seek to initiate negotiations with the United States to settle the seaward extension of the three maritime boundaries.** This may be an opportune time to make the attempt because the collapse of oil prices and the slackening of exploration for underwater hydrocarbon reserves may have rendered the disputes a little less sensitive. If the attempt fails, the committee believes that Canada should be prepared to request third-party adjudication so as to remove these sources of dispute, which can only go on to be fought over more keenly at some time in the future.

Developing Expertise

The management of Canada-U.S. relations should be treated as a specialized task. We believe there are some practical measures needed to increase the expertise and aptitude of both the public and the private sector in handling relations with the United States. Canadians do, of course, pick up a general knowledge of the United States from their education and from the media, but this is insufficient for professionals who must understand fully the complexities of the American political system. Nor is it any longer possible to rely, as was the case a generation ago, on close personal relations between Canadian and American officials at senior levels to smooth over difficulties.

We recommend that a regular series of seminars be held expressly for middle-rank career officials of the governments of both countries, possibly including officials from state and provincial governments. These seminars would be intended as a career development tool to deepen awareness and understanding among future policy makers of the many dimensions of the bilateral relationship. The seminars would also afford an opportunity to build personal ties between the Canadian and U.S. bureaucracies that might be valuable later on. We are not troubled by the prospect that participants might not be assigned direct responsibilities for bilateral affairs in their later careers. It is desirable that senior officials in both governments responsible for areas other than foreign policy have some awareness of the extent of the relationship and of how much the two countries affect each other.

In the past decade, the government of Canada has turned its attention to providing financial support to Canadian studies centres in several important U.S. universities. The rationale for the program is to promote a greater knowledge of Canada among U.S. university graduates. The policy is commendable, but its effects are limited to post-secondary students. Equally important are impressions formed earlier in a student's education. The committee was told of spontaneous efforts by a high school in Michigan to promote greater knowledge of Canada among its students. This experiment made us reflect on the desirability of commissioning teaching materials designed for the U.S. primary and secondary school systems that could help students across the United States learn more about their northern neighbour. We think this idea should be explored carefully. If it is found to have merit, Canadian consulates could be asked to promote the use of these materials in local school systems.

Dealing with Congress

Canada wants to be able to deal with a government that is capable of making commitments and sticking to them. The decentralized decision-making system in the United States and, particularly, the power of Congress complicate bilateral relations enormously. They can be the cause of considerable acrimony, as was the case when the Senate Foreign Relations Committee failed to ratify the 1979 East Coast Fisheries Agreements that had been negotiated between the two governments, with the result that the president's request for ratification had to be withdrawn. To reduce the risk of surprise in future, **whenever negotiations are being undertaken with the United States that ultimately require congressional approval, we recommend that the Embassy of Canada in Washington continue to undertake its own independent soundings of the state of congressional opinion.**

The United States is going to change neither its constitution nor its politics. The diffusion of power gives U.S. negotiators an advantage in that they can try to extract concessions from foreign governments by raising the prospect of congressional rejection. In response to the increasing influence of the Congress, the government of Canada has changed its tactics completely in the past few years. The government, through its embassy in Washington, is now actively involved in conveying Canadian views to members of Congress. In addition, the government of Canada and Canadian industries that are in some way threatened have begun in the last few years to retain U.S. advisers to follow and report on developments. This is especially important for issues before Congress and its committees that affect Canadian industries directly and indirectly. In addition, the government should examine the feasibility of assisting Canadian companies facing U.S. subsidy investigations, which are expensive and time consuming and appear to be invoked much more frequently and readily than in the past.

The annual meetings of the Canada-United States Interparliamentary Association, as well as the special meetings organized from time to time for urgent discussions of a major current issue, offer an excellent opportunity for Canadian Members of Parliament to reach U.S. Senators and Representatives. With the enhanced role of the Congress, the importance of this regular encounter and of special meetings has increased. The Association also provides an important channel for exchanging information on an 'early-warning' basis. Its meetings constitute an important tool at Canada's disposal. Continuity in the membership of delegations, as well as some means of following up on information gained, would enhance the usefulness of these meetings. The committee also received favourable reports of unofficial visits organized by the Centre for Legislative Exchange for members of the U.S. Congress and their staffs.

We also commend to the Canadian business community the initiative taken by Northern Telecom in assigning a middle-rank executive to participate in the Congressional Assistants Program run by the Conference Board of the United States. This program places about a dozen U.S. business people on the staff of congressional committees each year. It offers participants a means of acquiring invaluable knowledge of the workings of the U.S. legislative process, how Senators and Representatives deal with pressures from their constituencies, and how influence from outside can be applied to greatest effect. The interests of major Canadian businesses are increasingly being affected by what Congress does, and these businesses are having to account for this in decision making and attempt to intervene in the process themselves. They could be much more proficient at this if one of their senior executives had had direct experience of how the Congress works.

In a similar vein, **the government of Canada should consider assigning a couple of junior officials to the Congressional Intern Program each year as part of their training.** A number of foreign governments already do this, apparently with mutual benefit.

CHAPTER TEN

A Northern Dimension for Canadian Foreign Policy

Pointing to a previous "lack of geopolitical perspective", Paul Painchaud of Laval University put the case for a northern dimension for Canadian foreign policy dramatically:

> We have so long neglected the only international and regional system to which we really belong: the circumpolar system.... The Arctic... is the only region where we are a major geographic power. (49:40-41)

The Inuit Circumpolar Conference (Canada) conveyed the same message in political terms in its brief: "In the international north Canada can be a major player." (16)

The arctic region is rapidly becoming an area of international attention. Canada's huge stake in this region requires the development of a coherent arctic policy, an essential element of which must be a northern dimension for Canadian foreign policy.

The major problem in treating the Arctic as a region is that, although the physical geography of the area gives it a natural structure, the polar ice cap and the distances between communities have prevented development of the kind of connections that characterize the Atlantic and Pacific basins. No trade routes cross the Arctic Ocean, and even though there is considerable commerce along the northern coast of the Soviet Union, these are waters from which all foreign vessels are excluded. However, aircraft and other modern means of communication are to some extent reducing the barriers of ice and distance. The population of the Arctic is very small and dispersed, with Murmansk the only large city north of the Arctic Circle. Nevertheless, the indigenous Inuit population is culturally and linguistically homogeneous, which greatly helps to create a common regional perspective. So the Arctic is a region, but a region with a difference.

The arctic community, that is, the countries that border on the Arctic Ocean, comprises Canada, the United States, the Soviet Union, Norway, and Denmark, through its self-governing province of Greenland. Sweden and Finland have no access to northern waters, but they have territory north of the Arctic Circle and indigenous northern peoples, who are forming links with other northern native peoples. Iceland is sometimes regarded as an arctic country, although it lies south of the Circle.

Historically, none of these countries has had a sense of belonging to a geographically defined region. In every case the main pull has been towards the south or east and

west. However, in varying degrees, they increasingly share an awareness of the challenge of the north as well as a growing realization that there are benefits to be gained from co-operation.

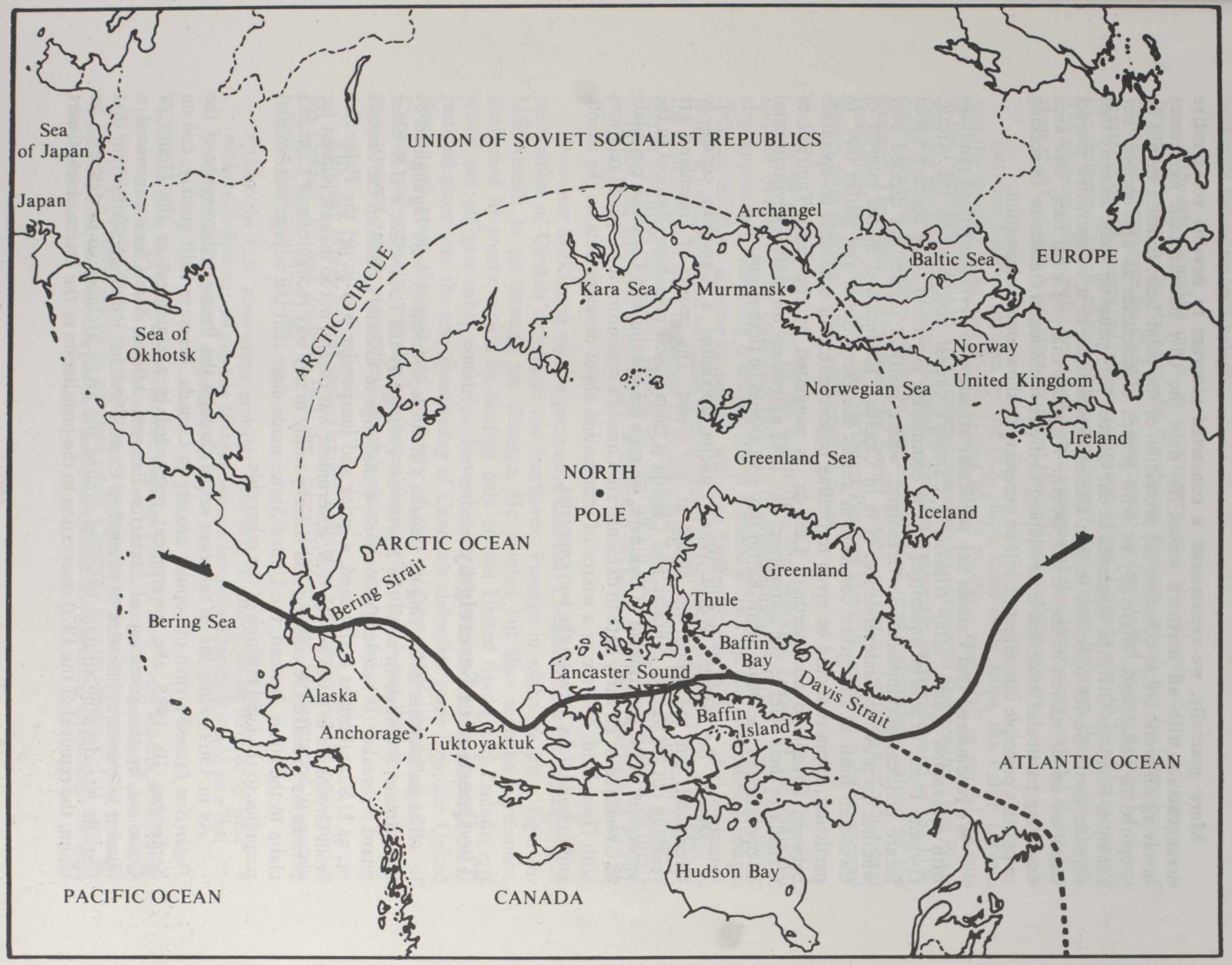
The position of the Inuit is, of course, entirely different. Mark Gordon rightly emphasized in his testimony that, in strengthening Canada's claims in the arctic archipelago, Canada's "only real true allies are the Inuit. . . . It is not a hinterland to us; it is our homeland." (25:13) The Inuit Circumpolar Conference (Canada) reminded us that "Canadian Inuit had always used those waters and their ice cover in winter, thereby providing Canada with the case in international law required to secure Canadian rights." (6) For Canada to deal effectively with its arctic citizens, however, Mr. Gordon emphasized that "there should be some social and economic stability created in the north. . .And one of the vehicles. . .for doing this is the land claims settlement." (25:13) The Inuit Committee on National Issues (ICNI) went further, claiming that

> The historic and continuing use of arctic waters by Canadian Inuit is certainly more economically viable and environmentally sound than approaches to Canadian sovereignty that advocate use of multi-million-dollar icebreakers and aircraft surveillance of the Northwest Passage. (60:75)

The committee believes Mark Gordon and the ICNI are correct. The Inuit are Canada's most important support in the Arctic, and government policy should reflect this perception. **Canada should give priority to achieving an acceptable land settlement in the North and encourage efforts to find governmental structures that would support Inuit cultural autonomy within the Canadian federation. Support should be given to the development of renewable resources, particularly fishing. Abroad, Canada should make strenuous efforts** to reinforce the efforts of Indigenous Survival International, whose Canadian chapter addressed us in Yellowknife, **to resist campaigns, especially in Europe, to ban the import of fur products,** the trapping of which represents a major source of income for Inuit and Indian peoples in Canada.

Mark Gordon described the efforts of the Inuit to establish links across national boundaries. He referred particularly to the Inuit Circumpolar Conference joining Inuit in Greenland, Canada and Alaska. He acknowledged, however, that all efforts to link up with Inuit living along the Soviet eastern arctic coast have so far failed. (There are no Inuit in the Soviet western arctic.) However, the invitation extended to the Honourable David Crombie, Minister of Indian Affairs and Northern Development, to visit the Inuit communities in the Soviet arctic under the new exchange program in May 1986—a first for a Canadian minister—may be an encouraging sign of a new and more open Soviet approach.

The experience recounted by Mark Gordon dramatizes the problem of circumpolar co-operation. The Soviet Union occupies over 50 per cent of the land mass bordering on the Arctic Ocean and it regards that part of its territory as having a special strategic importance. Despite the interests that should be shared by Canada and the USSR, which together occupy more than four-fifths of the arctic land mass, it has taken a long time to work out mutually acceptable exchange arrangements. The 1971 exchange agreement with the USSR and the joint commission set up under it had borne little fruit by 1979 when the Soviet invasion of Afghanistan led Canada to place a freeze on all organized contacts. In recent years Canada has lifted this prohibition, and since 1984 several northern exchanges have been arranged. The first impressions are that this time the arrangements cover policy areas of interest to Canada. However, there is no assured funding in Canada for this program, which is being financed on an ad hoc and uncertain base. **The committee considers that an arctic exchange program with the**



Map courtesy of the Canadian Arctic Resources Committee.

The solid line shows the anticipated international shipping route through the arctic islands. The dotted line shows the 1985 route of the *Polar Sea*.

Soviet Union is an effective way to increase Canadian knowledge of the north as well as provide a basis for improving East-West relations. We recommend that the existing exchange program be properly funded.

More generally, we recommend a concerted program to develop co-operative arrangements with all northern states. To date the only international agreement involving all arctic states concerns the protection of the polar bear. Canada should be prepared to collaborate bilaterally or with groups of countries as appropriate. For example, Franklyn Griffiths suggested at our Quebec City panel on arctic security that Canada invite Soviet scientists to join Canadian scientists in a co-operative project based on an ice station in the Arctic Ocean. We think this is a good idea. One area deserving particular attention is developing arctic environmental standards. In seeking to put this principle into effect, it will be necessary to show some imagination.

We recommend that Canada pay particular attention to developing good relations with Greenland which, after Alaska, is Canada's closest neighbour in the Arctic. Gwynne Dyer, in a brief submitted to the committee, expressed some concern about future political developments in Greenland, where political parties are divided over whether to press for independence. It is in Canada's interest and in the interest of Canadian Inuit to strengthen connections across the Davis Strait and Baffin Bay. In particular, support should be given to finding opportunities for economic co-operation between Greenland and northern Canada, as suggested by the Inuit Tapirisat of Canada in their brief to the committee. The 1983 agreement for marine environmental co-operation in the Davis Strait-Baffin Bay area should be fleshed out.

During the Second World War, Canada appointed a Canadian consul to Greenland, but the office was closed at war's end. The people of Greenland are reaching out for foreign contacts, and Canada is their closest neighbour. **Subject to the agreement of the government of Denmark, we urge the opening of a Canadian consulate in Greenland** at an early date to demonstrate Canada's commitment to special relations with Greenland, to serve as a source of information about developments on the island, and to build links between the two countries.

The Question of Sovereignty

The deficiencies in backing up Canada's claim to sovereignty were highlighted by last summer's voyage through the Northwest Passage by the *Polar Sea*, a U.S. coast guard icebreaker. Whatever the motive—a challenge to Canada's claim to the Passage or, as U.S. authorities maintained, a quick and inexpensive way to get the *Polar Sea* from Greenland to Alaska—the U.S. government was careful not to make a request for permission to make the crossing and thereby imply in any way recognition of Canada's claim to the strait. Instead, the United States made clear that the voyage was without prejudice to the legal position of the other side.

As in 1969, when the *Manhattan* sailed through the Passage, the voyage of the *Polar Sea* caused a rush of popular anxiety in Canada. Pressure built quickly, and on September 10, 1985, the government responded in a statement in the House of Commons by the Secretary of State for External Affairs. Mr. Clark announced a number of measures intended to strengthen Canada's claim, including notification that Canada was drawing straight baselines around the arctic archipelago to delineate its claim, the removal of the 1970 reservation to the jurisdiction of the International Court

of Justice,* increased aerial surveillance, naval activities in Canada's eastern arctic waters, and construction of a class 8 polar icebreaker. Taken together these measures have the potential significantly to strengthen Canada's claim to sovereignty over the waters of the arctic archipelago.

Although Canada's claim to sovereignty over the islands of the archipelago is beyond all doubt, the status of the Northwest Passage, which has both symbolic and defensive importance for Canada, is questioned by the United States. In view of recent strategic developments, which are described below, Canada should be able to control the movement of all classes of vessels through the waters between the arctic islands. The spontaneous popular reactions to the voyages of the *Manhattan* and the *Polar Sea* show that Canadians feel strongly about their claims to these waters.

Between the two voyages by the U.S. ships, three other ships, the Polish *Gdynia* and the Swedish *Lindblatt Explorer* and *World Explorer* made full or partial transits of the Northwest Passage. In all cases permission was requested and granted. The *Polar Sea* did not ask permission, although Canadian authorities were informed of the U.S. coast guard's intentions, and the government of Canada ultimately agreed to the passage. The other superpower, the Soviet Union, anxious to establish international recognition of its claim that the Northeast Passage along its northern coast is internal waters, gave cautious support to Canada's claim.

In its supporting brief to the committee, the Working Group of the National Capital Branch of the Canadian Institute of International Affairs suggested a three-step approach to resolving questions about Canada's claim to the Northwest Passage: first, an effort to achieve agreement with the United States; second, if this attempt failed, a joint approach with the United States to third-party arbitration; and, third, if the United States were to decline to be associated with such a step, unilateral action to secure a judicial settlement. During our hearings in Vancouver, we had an opportunity to review this advice at some length with Bruce McKinnon of the University of British Columbia.

Professor McKinnon made a persuasive case that Canada should try to secure U.S. recognition of Canada's claim to the Northwest Passage in exchange for a right for U.S. vessels to go through the Passage. He pointed out that such an agreement, confirmed by treaty, would be binding only on the United States and Canada and would not obligate other countries. Nevertheless, McKinnon felt the approach was justified given that the only questioning of Canada's claim has come from the United States and given the ease and certainty of the outcome. Moreover, recognition of Canada's sovereignty over the Northwest Passage by the United States, a major sea power, would greatly strengthen Canada's claim internationally.

Although Professor McKinnon thought a bilateral agreement was the best solution for Canada, he was doubtful that the United States could be persuaded to accept Canada's claim at this time.

> I think the U.S. government probably feels that it simply cannot afford, at least publicly, to give way on any one of these disputes involving a strait. It would set a bad precedent for all its other disputes. (51:111)

* In response to the 1969 voyage of the *Manhattan*, Parliament passed the *Arctic Waters Pollution Prevention Act*, proclaiming a 100-mile pollution prevention zone in the area. This was an entirely new legal concept, and at the time the government decided that the new law might not stand up to a challenge in the International Court of Justice. To protect the new Canadian position, the government entered a reservation as to the competence of the Court. The removal of the reservation was made possible by developments in arctic environmental law achieved at the Law of the Sea Conference.

In short, the worldwide maritime and naval interests of the United States make it reluctant to concede that any strait—even one as environmentally unique as the Northwest Passage—could be regarded as something other than an international strait with unlimited access. Part of their reluctance, he thought, was fear of making a commitment now in case technical capabilities changed in the future.

Despite this pessimistic assessment, **we recommend that the government of Canada renew its efforts to secure the agreement of the United States to Canada's claim to the Northwest Passage.** Canada has some leverage. First, concluding an agreement the United States would avoid the uncertainties involved in referring the matter to the International Court of Justice. Second, a resolution of the matter would allow the United States to send its ships through the Passage with no fear of damaging its good relations with Canada. A treaty would be a quick and tidy way of addressing the problem.

In the event that the United States clearly rejected a new Canadian approach to recognize its claim through a bilateral agreement, should Canada then press quickly for third-party arbitration? Delay might work to Canada's advantage, so long as there is no new challenge. If there is, Canada would have to respond quickly, and we believe the best move in that event would be to insist on referring the question to the International Court of Justice. Several expert witnesses—law professors Pharand, Cohen and McKinnon—all thought Canada already had a reasonably strong case. Whatever the outcome, it would resolve a dispute that could otherwise do great damage to relations between Canada and the United States.

Given the difficult choices faced by the U.S. authorities in this matter, the committee surmises that the U.S. government may also see merit at this time in avoiding action that Canada could interpret as a challenge. Until there is a pressing need for a U.S. vessel to transit the Passage, on balance the United States loses least by waiting. If in future the need for a U.S. vessel to use the Passage was sufficiently great, the United States might even decide then that its best course was to ask Canada's permission. Such a step would, it is true, imply recognition of Canada's claim, but it would avoid the uncertainties associated with a reference to the Court.

Accordingly, unless the United States agrees to recognize Canada's claim to the Northwest Passage by way of a bilateral treaty, **the committee's preferred course of action at this time is a deliberate decision to allow time to pass rather than pressing for a decision by the International Court of Justice.** In order that this issue not be allowed to damage relations between the two countries, however, we believe the government should be frank and open with the U.S. government and make clear the course of action it is following.

Defence Questions

In recent years the strategic dimensions of the Arctic have assumed new importance, owing primarily to developments in missile technology. We believe that the increased military activity in the arctic region justifies greater attention being paid within NATO to the strategic issues arising out of the arctic dimensions of the East-West confrontation.

With regard to the defence of Canada's northern lands, the testimony was categorical. In the words of George Lindsey, Chief of the Operational Research and Analysis Establishment, Department of National Defence,

> The impassable surface and the great expanse of the Arctic Ocean provide a valuable protection against invasion from the Soviet Union, to which the nearby uninhabited Canadian archipelago and northern mainland adds further depth. With such a barrier, major land attack is not a serious threat. (49:7)

Apart from a headquarters unit in Yellowknife and a few small detachments at points such as Alert and Inuvik, the only land-based force in the Canadian Arctic is the Rangers. Its 640 members are drawn almost entirely from the indigenous population. They receive some training and minimal equipment. Their primary function, in the words of Mark Gordon, is to be "the eyes and ears of the Canadian armed forces in the north." (25:14) Mr. Gordon went on to suggest an upgrading of the equipment and training of the Rangers, comparing them unfavourably with the Inuit National Guard in Alaska who are "much better trained and. . .much better equipped than the Canadian Rangers are." (25:32) With Soviet territory only 50 miles away, the situation in Alaska is different. Nevertheless, the Canadian Rangers is an intelligence-gathering service, and for this reason we think that improved training and an enhanced communications capability would be desirable. The Rangers are an important expression of Canada's sovereignty over the land and waters of the Arctic and should be given additional support.

On the air side, the development of cruise missiles, which are hard to locate and destroy once launched, has given new significance to the Soviet bomber threat. The testing of a new Soviet bomber, the *Blackjack*, is seen in some quarters as evidence that the Soviet Union may be placing greater reliance on the cruise missile system. The revived need for an effective bomber identification and air defence system—which is dealt with in greater detail in Chapter 5 and about which the committee is divided—has been reflected in two decisions of the Canadian and the U.S. governments: the 1985 decision to build the North Warning System and the March 1986 decision to renew the NORAD agreement for five years. Successive Canadian governments have taken the view that NORAD, as well as fulfilling its primary function of North American air defence, also serves to enhance Canadian sovereignty by providing a framework for co-operation with the United States. In Chapter 5, however, we draw attention to impending developments relating to SDI that could present Canadians with a difficult choice in the near future.

Ice in the Arctic Ocean rules out naval operations by surface vessels. In this harsh environment icebreakers have little security value: satellites or aircraft are more effective for reconnaissance, and aircraft can most quickly dispose of any hostile surface vessel. Icebreakers more numerous and powerful than Canada has now would be needed to assist regular commercial traffic through the Northwest Passage, whenever that need should develop.

A decade ago, it was widely anticipated that there would be rapid growth in commercial maritime transport—in the form of ice-strengthened or submersible tankers—through the arctic seas. But the massive oil finds in Prudhoe Bay, Alaska have not yet been repeated in the Beaufort Sea. Now, with the collapse of oil prices and the end of federal grant programs, exploration in the Canadian Arctic is tailing off. As a result, the commercial transport of oil by tankers has been postponed to an indefinite date in the future. Although mining activity is continuing to take place on islands in the eastern Arctic, navigational problems in these waters are much less severe, and for now there is no regular commercial need for heavy icebreakers. The need for effective control remains, however, and a polar class icebreaker has an important role to play in this respect.

In this situation, the main function of the proposed polar icebreaker would be to strengthen Canada's claim to sovereignty. For this reason Donat Pharand advocated installing light armament on the icebreaker so that the ship's presence would have "at least a quasi-military" character. (25:33) Other testimony supported using an icebreaker as a base for scientific work and for mapping the bottom of the Arctic Ocean. However, not all witnesses favoured a polar icebreaker. Admiral R.H. Falls (retired), who submitted a brief on the subject, questioned its value even on sovereignty grounds. He doubted that its presence would deter the United States from sending a ship through the Northwest Passage, should they decide to do so.

The committee did not have time to make the careful study that would be needed to make a decision on a matter as complex and many-sided as whether Canada should acquire a polar icebreaker. An icebreaker of this size and power is extremely costly, and its utility would be limited until commercial traffic begins, which might occur in the 1990s.

The strategic importance of arctic waters has been greatly enhanced by recent developments in submarine missile technology. The increased range and accuracy of submarine-launched ballistic missiles (SLBM) has made it possible for the USSR to station its newer SLBM submarines in the relative safety of Soviet northern coastal waters. Nonetheless, some of these submarines may be dispersed under the Soviet side of the arctic ice cap for added protection, and there is reason to suspect—although the committee did not receive testimony confirming this assumption—that Soviet and U.S. submarines pass through the Canadian archipelago from time to time.

Knowledgeable witnesses such as Albert Legault and Franklyn Griffiths spoke of sonar systems capable of monitoring submarine movements in the arctic straits, although George Lindsey referred to the technical difficulties caused by moving ice, which creates noise and displaces the sonars. Such systems are purely passive. Under present conditions, if Canada wanted action taken against intruders for any reason, it would have to call on U.S. submarines.

This situation prompted committee members to inquire of witnesses what would happen if Canada were to acquire submarines able to operate under the ice. Witnesses replied that not only would this strengthen Canada's assertion of sovereignty in the region, but it would also put the U.S. navy in a position where it would have to share knowledge with Canada of the movement of U.S. submarines in Canadian waters. The result could be enhanced naval co-operation of the United States with Canada.

The Senate Committee on National Defence proposed in its report on Canada's maritime defence (May 1983) that Canada proceed to acquire a fleet of modern diesel-electric submarines, pointing to their great effectiveness as weapons in anti-submarine warfare. While the report focused mainly on ice-free waters, it expressed the opinion that "adequate surveillance of the Northwest Passage could be provided, for the time being, by conventionally powered submarines stationed at the entry and the exit of the passage". (p. 51) **The committee recommends that the possibility of equipping the Canadian navy with diesel-electric submarines be reviewed in the context of a general examination of the country's naval forces and, more generally, of Canada's defence policy.**

A number of factors must be considered carefully before a decision can be reached that Canada should acquire modern submarines. The cost of standard nuclear-powered submarines is very high. The committee was informed of developments in conventional propulsion systems that could permit non-nuclear-powered submarines to undertake

extensive under-ice operations. Although these systems are considerably cheaper, they have not yet been proven. The cost of even conventional modern submarines would have to be assessed carefully, because, apart from acquisition costs, there are servicing, training, shore establishment and other program costs, all of which are expensive. Finally, if a decision to acquire modern submarines were to involve a transfer of some resources from Canadian forces in Europe, the government would have to take into account the reaction of Canada's NATO allies.

Among the witnesses who addressed arctic security questions, a few proposed that Canada press for making the Arctic Ocean a nuclear-free zone. Sometimes this suggestion was associated with the idea that a legal régime should be promoted for the Arctic region similar to that established in the Antarctic under the treaty of 1959.

We compared the situations in the antarctic and arctic regions from a legal perspective. The continent of Antarctica belongs to no country. To avoid the risk of competing claims, the international community agreed to internationalize the continent a generation ago. By contrast, all the land in the arctic region is part of the territory of one state or another. Moreover, viewed from the North Pole, 44 per cent of the horizon is Russian and 8 per cent is American. The whole region is therefore a major focus of great power rivalry, whereas Antarctica is remote from the strategic confrontation. In our opinion, the situations in the two polar regions are completely different.

We recognize that a major obstacle to establishing a nuclear-free zone in the Arctic is the extent to which the superpowers have already committed nuclear forces in those waters. One-half of the Soviet nuclear submarine fleet is based at Murmansk, and Soviet SLBM submarines are now deployed in the Soviet arctic basin, where they enjoy a very large measure of immunity. U.S. nuclear submarines undoubtedly also operate in arctic waters. For both the Soviets and the Americans, the Arctic Ocean has acquired increased strategic significance in recent years. In addition, since nuclear-powered submarines are for the present the only vessels capable of operating under the arctic ice, nuclear-powered submarine tankers may in future be employed to transport oil through the Arctic. Accordingly, although we are concerned about the militarization of the arctic region and would like to see this situation reversed, declaring the Arctic Ocean a nuclear-free zone would need the active support of the Soviet Union and the United States. **We recommend that Canada, in co-operation with other arctic and nordic nations, seek the demilitarization of the arctic region through pressure on the United States and the Soviet Union, as well as through a general approach to arms control and disarmament.**

CHAPTER ELEVEN

The Case for Constructive Internationalism

We conclude that Canada's activities abroad should be guided by an approach based on constructive internationalism. This would impart both a vision and sense of purpose to Canadian foreign policy.

Constructive internationalism recommends itself to us, not because it conjures up nostalgia for an imagined golden age of Canadian foreign policy, but because it **most accurately describes the stance that Canada should take towards a difficult and uncertain international environment.** The essence of constructive internationalism is that, in an interdependent world, international responsibilities should be interwoven with Canada's basic national aims. In practice it is almost instinctive for Canadians to look at the world in this way because geography and history have prepared them to be internationalists. Protected by great oceans from the violence that affects so many regions of the world, Canadians do not have to distinguish between national security and international security. For Canadians they are identical.

All of Canada's major foreign policy goals, particularly the search for security and the pursuit of economic prosperity, as well as the preservation of justice and democracy, are tied to the common interests of the international community. Thus we agree with the many witnesses who rejected a foreign policy governed solely by narrowly defined self-interest. We share their view that foreign policy should amount to much more than a projection of domestic interests abroad. We think that **Canada has a great deal more to gain from a posture of confident idealism than from one that is mean-spirited and ungenerous to the world at large.**

By any sensibly broad definition, Canada's interests are tightly bound up with the effective working of international institutions, with the preservation of a well developed network of norms and rules, with the maintenance of international stability and peace, with accelerated development in the Third World, and with a lessening of the potential for regional conflict.

We believe that those who formulate and seek to influence foreign policy should be guided by a vision of Canada's role in the world. We agree with the CIIA Working Group, who contended that Canada's influence depends partly on the coherence of its foreign policy and that a sense of purpose is needed to provide this coherence. Such a sense of purpose comes with the realization that the international system requires serious overhaul. That the international order is in disarray and in need of renewal is

nowhere contested. **A major objective of Canadian foreign policy should be a broad effort to strengthen the effectiveness of international institutions.**

Canada is not the only country fitted to undertake this task, but it is one of a very small number that could do it. The superpowers are confined, in certain respects, by their own weight and responsibilities, whereas the vast majority of nations may not have sufficient resources to tackle the problem as effectively. No longer preoccupied with the goal of international recognition for itself, Canada now has the maturity and self-confidence to promote a larger international purpose.

The challenges of interdependence necessitate multilateral co-operation. This may be an obvious truism, but it still takes enormous political skill, together with tenacity and strength of purpose, to put it into practice. For Canada this means continuing to develop ties with like-minded states, to seek membership in informal or institutionalized groups of states, to strengthen international institutions, and to help bring countries of emerging importance into the management of the global economy. Regional or international mechanisms are needed to disseminate information, facilitate the sharing of responsibility between states, and co-ordinate national action.

Moreover, from Canada's point of view—and from the perspective of a great many other countries—the attractiveness of multilateral action is that it can be made to produce a greater degree of international order, consisting in a broad framework of international regulations, rules and institutions. Such a framework is particularly important to Canada in managing its international economic relations. If Canada and its major trading partners are formally committed to internationally agreed principles and rules of conduct in world trade, Canada's position is the stronger. Principles and rules enhance the consistency and predictability of the international system. This is to Canada's advantage, because its capacities, however substantial, do not allow it to take many risks if it wants to maintain a diversified and technologically advanced economy. There is thus a compelling argument for directing a good deal of Canada's attention, creativity and effort to the development, repair and renewal of arrangements that strengthen international stability, both political and economic.

Another good reason why Canada should be attached to multilateralism is the prospect that it can bolster the country's influence. In multilateral settings there is an opportunity to establish links with other countries of comparable weight and opinion. Canada is often suited to offer a lead in such settings. Moreover, by making common cause with others, the weight of the views Canada advocates can be increased significantly.

There is strength in numbers. Canada's representatives abroad are at their most effective when they know how to 'work the table', to recruit support for a common position. That position carries more weight in Washington or other capitals when it is known that a coalition of governments has lined up behind it.

Constructive internationalism, as the committee conceives it, by no means precludes taking unilateral initiatives and welding bilateral links. There is no way a country with as complex a set of international objectives as Canada is going to be able to refrain from the kinds of initiatives it has already undertaken, not just with the United States but also with the European Communities, Japan, Mexico and others. The possible consequences of multilateralism, bilateralism and even unilateralism should, however, be channelled and shaped by the kind of setting that constructive internationalism provides.

This is accomplished partly by accelerating multilateral activity and revitalizing multilateral forums, as an alternative to bilateral relations. In some circumstances this may give Canada the option to shift some difficult questions that arise in its relations with the United States from one context to the other. More often, there will be an opportunity to manage the interplay between bilateral and multilateral handling of the same issue. If the two are kept in tandem, it would be a sensible strategy for Canada to try to gain ground in a multilateral negotiation so as to put pressure on the United States to concede the same point in bilateral dealings.

Even more significant is the way an energetic internationalism could balance Canada's necessarily intense relationship with the United States. Apart from many concrete benefits—in the form of new outlets for Canadian talents, new vitality for Canadian culture and alternative trading relationships—there is an important psychological advantage to be gained from this. Both Canadians and observers of Canada outside its borders need to be kept constantly reminded that the country can have a wide range of international involvements and that there are a multitude of ways to manifest its national personality. Internationalism therefore helps preserve both the image and the reality of Canadian independence and distinctiveness.

Constructive internationalism fulfils twin purposes: orienting Canadians to the external environment in a manner that appears most likely to serve their interests, and responding to the aspirations manifested by the hundreds of Canadians that appeared before the committee for an active and productive international role. A fuller realization of these aspirations depends on the government finding ways to devolve opportunities to the non-governmental sector for international activity by Canadians and encouraging the voluntarist streak that runs so markedly through the Canadian psyche.

Central to our concept of constructive internationalism is an acceptance that means are limited and that careful and deliberate choices must be made about the timing, the kind and the degree of international action. There is a great deal to be lost by proclaiming stands and launching initiatives that cannot be backed up with commitments of influence or resources. If this happens, Canada risks losing the respect of foreign governments, the future impact of its foreign policy may be diluted, and a sense of disillusionment may be engendered among its own citizens, detracting from popular support for an active foreign policy. Canada's activities abroad must remain firmly grounded in a realistic assessment of what Canada is capable of accomplishing in the international arena. In addition, Canadians must not lose sight of the fact that the country's capacity to undertake internationalist policies requires the support of a strong and competitive economy.

We accept that Canada must be guided in its approach to regional conflicts elsewhere in the world by a sense of proportion and caution, but we would not want the government to ignore John Sigler's strong plea for an activist Canadian policy as an encouragement to others:

> We desperately need the example of diplomatic successes in regional conflict resolution, in preventing crisis and confrontations, if we are to sustain any sense of hope for change. Whether the Canadian role is central or marginal in any such effort is not the important point; the point is that the effort must be made if any example is to be set for ourselves and for others. (30:7)

The judicious tailoring of foreign policy initiatives to suit foreign policy resources is characteristic of constructive internationalism. In our view, an understanding of Canada's limitations should serve not as a formula for retreat but as a formula for

effectiveness. It is entirely appropriate that Canada should make part of its contribution to security by specializing in arms controls and peacekeeping and part of its contribution to economic well-being and human rights by concentrating on development assistance. These are areas where Canada has unexampled expertise, undoubted capability, and an international reputation.

By the standard of effectiveness, Canadians are justified in making a whole-hearted commitment to the international arena. Their common experience of building a distinctive social and political order qualifies them to assist in shaping a better international order, where anarchy and violence are replaced by civilized forms of state behaviour. Their membership in a society characterized by justice and abundance has provided Canadians with the moral and material resources to shoulder a major responsibility for bettering international society. At the same time, the collective maturity and self-confidence that Canadians as a people have gained from resolving internal differences and finding ways to keep pulling together serve as a constant reminder of the need for tolerance and understanding of the interests and aspirations of others. In these respects, the strength that Canadians draw from their history provides a similar foundation for a confident and constructive internationalism.

Conclusions and Recommendations

The committee's principal conclusions and recommendations are presented in Chapters 4 to 11. The purpose of the Foreword and the three opening chapters is to establish a framework for the committee's analysis of specific policy areas.

The committee's conclusions and recommendations were shaped by three factors. Foremost among them was the concerns expressed by Canadians who submitted briefs or presented their views orally. Chapter 1 indicates that our witnesses manifested a pronounced concern for international security; warned us about how the welfare of Canadians might be affected by international economic developments; demonstrated a mix of confidence and caution in approaching the question of living next to the United States; called for more energetic promotion of human rights and international development within Canada's foreign policy; and, in general, advocated a responsible and active role for Canada abroad. Their message combined an ambition to see Canada's reach extended with an awareness of the complexities and challenges posed by the international environment.

A second factor shaping our views was our assessment of what Canada could hope to accomplish in the international arena, which is contained in Chapter 2. We concluded that Canada does possess a significant capacity for international action that goes beyond the defence of its immediate, short-run interests. At the same time, there are limits to what Canada can accomplish. In our view, an understanding of those limits is an integral part of an effective foreign policy.

Finally, we had to balance and temper our specific recommendations with a view to seeking, as far as possible, consistency and coherence in Canadian foreign policy. As a mature actor on the international stage, Canada has many interests and involvements. Some goals inevitably conflict with others. The single-minded pursuit of an overarching objective is an option that is rarely open to Canada.

The seven major directions for Canadian foreign policy that we set out in Chapters 4 to 10 are not meant to be all-inclusive. They represent our assessment of where Canada's attention should be focused in the medium term, and each includes a few specific measures to tackle issues on the current agenda. Even though a number of the problems that Canada must confront are intractable, at least in the short run, we decided it was important to draw attention to them in the belief that awareness can help to make difficulties more manageable.

Internationalism, the focus of the final chapter, is the most prominent theme of the report, but independence is recognized throughout to be the *sine qua non* of international action. Independence and internationalism occasionally lead in different directions, but more often than not they are mutually supportive. At the time when Canada was acquiring the attributes of nationhood, independence was identified with formal recognition as a sovereign entity capable of signing treaties, participating in international conferences and sending diplomats abroad. In the past two decades, many Canadians have to some degree used as a measure of the country's independence its differences with the United States. Although this attitude persists to some extent, it is increasingly important that Canadians identify their independence with policies and initiatives that are at once ambitious and constructive—as indeed we have tried to do in this report. That the international arena affords many opportunities to manifest Canadian independence through constructive accomplishment is reflected in the conclusions and recommendations that follow, and we are satisfied that Canadians have the capacity and the will to seize those opportunities.

Chapter Two
Canada's Capabilities

Canada has considerable capabilities enabling it to sustain a substantial involvement in international affairs and shoulder a considerable degree of responsibility for finding solutions to many international problems. (page 30) *

In most international pursuits, Canada can maximize its impact and make the best use of its resources by working in concert with other countries. Canada is, however, strong enough to act on its own in some instances and to exercise leadership in the formation of coalitions. Because the country's means are limited, the government must assess Canada's capacity to make an effective contribution in each situation and concentrate its efforts on situations where it can be most helpful—instead of dissipating its resources by spreading them too thin in areas where it cannot expect to be as useful. (page 30)

Chapter Three
Foreign Policy Goals

The countries of the Pacific region and Southeast Asia have evolved rapidly over the last two decades, and they represent, after the United States, Canada's fastest growing export market. Canada's interests in expanding trade justify increased emphasis on trade promotion in this market. When it comes to security considerations, however, Canada's military resources are insufficient to consider a direct contribution to maintaining security in that region. Europe, by contrast, remains the main focus of East-West confrontation, and Canada continues to make a significant military contribution in Central Europe. While trade has grown less than with the countries across the Pacific, Europe remains a substantial market for a variety of Canadian exports. The Third World, Africa in particular, is the the focus for Canada's development assistance activities, but compared to the industrialized countries, it provides as yet a small outlet for Canadian trade. South Africa used to be an important

*Conclusions and recommendations can be found in the text of the report on the page indicated in parentheses.

outlet for Canadian goods but is now a focus for the goal of social justice. The Middle East for a number of years offered exceptional opportunities to those who, unlike Canada, were well placed to export, as well as representing an area of tension and often of conflict, with Canada's contribution to regional security being mainly to provide peacekeeping forces. (page 36)

We recommend that the Department of External Affairs consider adopting the concept of regional resource and service centres to serve diplomatic posts within specific geographic areas. (page 37)

We propose that the government, particularly through the Cabinet Committee on External Affairs, and Parliament, through the House of Commons Standing Committee on External Affairs and International Trade, keep the country planning process under regular review. We think it is particularly important that the views and co-operation of provincial governments and the business, NGO and academic communities be solicited in the formulation and review of strategic objectives. (page 37)

Chapter Four
Strengthening International Order: Amplifying Canada's Influence

We recommend that Canada support the work of the High Level Group of experts that has been established by the United Nations Secretary General to study the financial problems of the United Nations. In the longer term, in concert with other middle powers, Canada should explore the possibility of a new financial arrangement for the United Nations whereby no single nation would contribute more than an amount set so as to ensure that the organization is not unduly dependent on any one member. (page 42)

We recommend that Canada seek international agreement on an appropriate agency or committee to help streamline operations within the multilateral development system as a whole. We support all efforts to reduce the duplication and over-centralization that exist within the United Nations system. The United Nations should be willing to explore possibilities for new kinds of institutions and jettison those that have outlived their usefulness. (page 42)

We believe the government should press for early completion of the work of the Preparatory Commission for the Law of the Sea, so as to end the uncertainty surrounding the deep sea bed régime. Then, the government should begin a detailed analysis of the costs and benefits of the Law of the Sea Treaty. Although it has not yet come into force, the Treaty has already brought Canada significant benefit, and the committee believes Canada should ratify it. (page 43)

The committee recommends that the government of Canada investigate the possibility of bringing the United Nations Environment Program (UNEP) into the mainstream of regularly funded UN specialized agencies and, in general, do everything possible to enhance the effectiveness of UNEP. The government should also continue to take a lead internationally in arousing concern about deterioration in the environment and co-operate with other like-minded states in pressing for preventive and remedial action. (page 44)

We consider that the Canadian government has an obligation to press for international agreement, preferably through the International Atomic Energy Agency, on safety measures relating to nuclear power. These should include a comprehensive review of safety standards for civilian atomic energy plants, development of an international inspection system, elaboration of radioactive waste disposal methods, and an international agreement covering prompt warnings about nuclear accidents and the provision of immediate assistance. (page 44)

We recommend that Canada put forward candidates for positions on the International Court of Justice and other major international law-making institutions such as the International Law Commission and the UN Commission on International Trade Law. We also believe that Canada should encourage states to accept the jurisdiction of the International Court of Justice, with minimal or no reservations in adopting the optional clause. (page 45)

Canada should promote, by its own statements and policies, the general concept of the peaceful settlement of disputes. This demands a willingness to use its mediation skills and to promote the active intervention of other third parties, including institutions such as the United Nations and the Commonwealth, at the earliest possible juncture in a given dispute. We should encourage a wider and earlier use of fact finding and observation on a regular basis by the United Nations Secretary General and his nominees. (page 45)

Chapter Five
Safeguarding International Peace and Security

We believe that a priority for the government in security policy should be to elaborate a Canadian perspective on strategic, arms control and disarmament issues. In the first place, this means recruiting and developing the kind of analytical expertise on which a more active Canadian role in this field must be based. The committee is encouraged by the recent establishment of the Canadian Institute for International Peace and Security and by the growth of other university and non-university research centres. They can be expected to raise the level of expertise in this field. Second, the government must formulate its own judgements on the central questions of strategy and arms control. Third, with this background the government could be more effective in pressing its views with other governments and in international forums. Finally, the government should engage the public in a continuing dialogue on security policy, beginning by making public its own views together with the arguments behind them. (page 48)

Defence Policy

In our opinion, the government must confront the commitment-capability gap. We therefore propose an immediate study of long-term defence requirements designed specifically to ascertain how much additional expenditure would be necessary to complete the task of re-equipping the armed forces over the next 10 years. If this level of spending is not considered attainable, then the government should attempt, in consultation with its allies, to renegotiate or restructure some of Canada's defence commitments so as to close the gap between commitments and capabilities and ensure that Canada's armed forces can carry out properly the roles they are assigned. (page 50)

Arms Control and Disarmament

We believe that it is necessary to enhance strategic stability by pursuing arms control and that the best path forward is one that includes mutual agreements, balanced and deep reductions, and adequate means of verification. (page 51)

We recommend that Canada intensify its efforts, multilaterally within NATO, the United Nations and in disarmament forums and bilaterally with the United States, the Soviet Union and other countries, to win acceptance for a comprehensive set of arms control measures. These measures, which have been enunciated by the government, are as follows:

1. A mutually agreed and verifiable radical reduction of nuclear forces and associated measures to enhance strategic stability. The latter should include, in particular, reaffirmation of the Anti-Ballistic Missile Treaty, interpreted strictly as prohibiting all but basic research on defensive systems.

2. The maintenance and strengthening of the nuclear non-proliferation régime.

3. The negotiation of a global ban on chemical weapons.

4. The achievement of a comprehensive test ban treaty that will be mutually verifiable.

5. The prevention of an arms race in outer space.

6. Agreement on confidence-building measures sufficient to permit the reduction of conventional military forces in Europe and elsewhere. (page 52)

We are attracted by proposals for an international system to register exports and imports of weapons and munitions as one means of controlling the expanded trade in conventional weapons and we believe that Canada should seek international support for this concept. (page 52)

We urge the government to make every effort to encourage the superpowers to engage in productive negotiations on the limitation and reduction of nuclear weapons. (page 52)

Decisions about defence policy, including the military decisions in which Canada participates as a NATO member, should not be taken without due regard to their consequences for arms control. Arms control and disarmament policy, on the one hand, and defence policy, on the other, should move in tandem. (page 53)

We have concluded that the government's capacity for formulating policy on arms control and disarmament needs improvement. We are not in a position to specify the manner in which this capacity could be improved, but one essential requirement would be a new policy development mechanism designed to reconcile the views received from the Departments of External Affairs and National Defence. We also believe that foreign policy is conducted in a more co-ordinated and energetic manner if it is exposed regularly to public examination. For this reason, the new mechanism should be directed to report periodically to Parliament. (page 53)

We endorse the principle of bilateral exchanges on a wide variety of subjects with the Soviet Union and recommend that provision be made in forward expenditure planning for an increase in such exchanges. (page 55)

Regional Conflicts

We affirm Canada's capacity to serve as a disinterested third party in regional conflicts. When Canada undertakes to be a mediator or go-between, it should carefully assess the sources of that conflict, the potential utility of mediation efforts, and the particular talents and leverage it might have to apply to the situation. (page 57)

Provided Canada's capacity is suited to the task and there is a reasonable chance of moving a dispute closer to resolution, we recommend that Canada stand ready to use its good offices, including mediation, fact-finding missions, and the careful commitment of peacekeeping forces, where appropriate and feasible to assist the parties to regional conflicts to resolve their differences and achieve peace. (page 57)

Peacekeeping

The committee concludes that a continuing Canadian contribution to the United Nations peacekeeping force in Cyprus helps to prevent fighting on the island and maintains stability on NATO's southern flank. (page 59)

We recommend that the government consider making significantly greater use of the reserve forces for peacekeeping service, either individually or experimentally in small units. (page 60)

The committee recommends that Canada continue to make its peacekeeping expertise available to the armed forces of other countries. The government should also continue to support training seminars on peacekeeping that are hosted at Canadian universities and should continue to assist the International Peace Academy which, among other services, has developed a Peacekeeper's Handbook that is used as a textbook by the Canadian armed forces. (page 60)

In the committee's view, the best approach to invitations to become involved in peacekeeping operations is for Canada to apply its criteria on a case-by-case basis, while maintaining its preference for operations under United Nations auspices. (page 61)

Terrorism

The committee's preferred approach to organizing international action on terrorism is to work through the United Nations and thereby engage the support of the entire world community. Canada could, for example, strive to get support for a UN Security Council resolution to deny countries harbouring terrorists the right to invoke their sovereignty to prevent international action. (page 64)

The committee recommends increased stringency of control at Canadian entry and border points. (page 63)

We recommend that Transport Canada set and rigorously enforce minimum standards for airport security. We recommend further that if, after a trial period, private security firms remain deficient, the government consider accepting direct responsibility for all aspects of airport security, to be carried out by Transport Canada or by the RCMP on contract to Transport Canada. (page 63)

Chapter Six
Expanding International Trade

Conditions that have contributed to the growth of the Canadian economy since the Second World War are changing, and Canada must adapt if it is to maintain current levels of prosperity. Canada has already lost some ground in this respect. (page 65)

We believe that the government and its foreign trade officers should be well grounded in the areas where trade is growing rapidly, particularly the high technology and services sectors. (page 66)

Trade Liberalization

The committee recommends that the government make strenuous efforts to achieve orderly and balanced trade liberalization. (page 67)

The committee believes it is important to begin a new round of multilateral trade negotiations as expeditiously as possible. (page 68)

It is essential that any agreement between Canada and the United States be entirely consistent with the obligations of both countries to the GATT. To do this, the GATT should be notified of the terms of any agreement reached, and a GATT working party would be established to examine the consistency of that agreement with GATT obligations. (page 68)

We note that the successful completion of negotiations between Canada and the United States would address only a portion of the international trade issues facing Canada. (page 69)

Improving Competitiveness

We call upon the government to recognize the export potential of Canada's small and medium-sized businesses and to take account of this potential in designing and implementing its export marketing strategies. (page 69)

We recognize that a number of features of the domestic environment hamper Canadian exporters and recommend that these be addressed in any future trade policy. (page 69)

We recommend that the government take whatever action is necessary to ensure that the purchase of patents and the marketing of patents abroad can be financed under the *Small Business Loans Act* or that the necessary changes are made in the Industrial and Regional Development Program. (page 71)

The structure and attitudes of Export Development Corporation are too often remote from those of small business, and this gap is difficult to bridge. To change the corporate culture of EDC to be more responsive to small business would require a significant change in outlook and operations at EDC, and there is no guarantee that it could be accomplished effectively. To develop more fully the export potential of small business, the government should consider establishing a small business export financing agency. The private sector financial institutions should also become more involved in small business export financing and should be closely associated with the new agency. (page 71)

Export Development and Promotion

The committee believes the private sector should be encouraged to work with the government in disseminating information about foreign market opportunities. (page 74)

The committee recommends establishment of a trade opportunities hotline. (page 74)

We agree with witnesses who told us that trade commissioners are needed most in countries where there are substantial market opportunities and where their assistance can help exporters overcome cultural and language differences. We therefore recommend that more trade commissioners be allocated to the Asia-Pacific region, if necessary by reducing the number allocated to Europe. (page 74)

We believe the Program for Export Market Development should be maintained and that special efforts should be made to extend its coverage to the engineering, consulting, and service industry firms that now find it difficult to qualify for PEMD assistance. (page 74)

We believe that if Canada wants to maintain and expand its share of export markets, the government must provide Canadian exporters with export financing programs that are competitive with those offered by other countries. (page 75)

One way to ease the foreign exchange problem of Third World countries would be to remove some of the barriers that restrict their exports to Canada. A second way is countertrade. (page 75)

The committee recommends that the government continue to review concessional export financing to ensure that Canadian exporters are not operating at a competitive disadvantage because of the financing practices of other countries. (page 76)

We believe that federal and provincial governments should co-ordinate their trade promotion activities better. An example of this type of co-operation and co-ordination already exists in an agreement between Quebec and the federal government with respect to immigration whereby the province places its officials in certain embassies on a cost-sharing basis. Provincial activities are co-ordinated with federal interests, although the officials are still responsible to their own government. The committee recommends that similar agreements and arrangements be concluded between federal and provincial governments with respect to trade promotion and development. (page 76)

We are convinced that the most significant trade links are forged at the level where agreements to do business can be concluded. We believe that city-to-city ties are a dimension of international trade relations that offers exciting potential and should be pursued energetically. (page 77)

Companies that are awarded large contracts abroad and have received government assistance should employ a few recent graduates with the aim of building up the companies' and the country's supply of people with international business experience. For its part, the government should facilitate the compilation of a catalogue of opportunities for young Canadians to work abroad. There is an untapped supply of young people interested in such employment. The experience of working in a foreign country might well lead young Canadians to seek careers in international business and trade and help to build the foundation for a more aggressive approach to trade. (page 77)

Trade Diversification

The committee believes that the Asia-Pacific region has emerged as one area that deserves greater public and private efforts. (page 77)

If Canada is to be successful in the Asia-Pacific region it will need to employ a layered approach to market development. One layer will consist of Canadian firms building all-important personal connections with potential Asian-Pacific customers. Both Canadians with roots in those countries and foreign students living in Canada could be used to promote trading links between Canada and the Asia-Pacific region by combining their first-hand experience of Canadian products and abilities with their connections in the region. (page 78)

A second layer will consist of the federal government working closely with Canadian companies to develop trading links with Asia-Pacific countries. This will mean providing competitive export financing as well as government marketing support based on the efforts of trade commissioners, ambassadors and occasional visits by ministers. (page 78)

Although it is essential to build an economic and political relationship, a third layer, based on cultural ties, will be needed to put the relationship on a solid long-term footing. It is important to increase the mutual awareness of the diverse cultures surrounding the Pacific Ocean. (page 78)

The committee urges the government to establish a program with Japan and other appropriate Asian countries to enable Canadian university graduate volunteers to teach English there. (page 79)

The committee recommends that the government encourage the Canadian private sector to establish an office in Taiwan to assist Canadian companies to develop business relations there. This can and should be done in a way that will not affect Canada's important relationship with the People's Republic of China. (page 80)

We believe that the government should move energetically to build upon the connections between Canada and India to promote greater trade and investment between the two countries. (page 81)

Chapter Seven
Working for International Development

Debt and Trade

We are concerned that the often tough measures imposed on many of the debtor countries in order to manage the debt problem cannot long continue without resulting in a major crisis. The economic difficulties facing a number of developing countries place intolerable strains on their people and on democratic governments. We perceive an urgent need for measures designed to promote economic recovery and development in the debtor countries. (page 85)

The committee considers that a conference organized at the intergovernmental level, and including representatives of the debtor and creditor countries, the banks, and the international financial institutions, is urgently required. Recognizing the seriousness of this crisis, which affects developing and developed countries alike, the government of

Canada should press member countries in the OECD and elsewhere to support such a conference. (page 86)

We urge the government to be especially attentive to the needs of African countries and to support, in the Paris Club and elsewhere, approaches to debt management that will assist in recovery from the famine. We commend the decision of the government, announced at the May 1986 special session of the United Nations General Assembly, to declare a 15-year moratorium on repayment of government loans to poorer countries in sub-Saharan Africa. We also consider it desirable that the government contemplate extending the moratorium to Export Development Corporation loans to the same countries. (page 87)

The committee notes with approval that the government of Canada has indicated it would consider increased World Bank funding. We also support improved co-ordination between the International Monetary Fund and the World Bank, with the objective of ensuring that short-term adjustment measures are supportive of longer-term economic recovery and development. (page 87)

We urge the government of Canada to press the case for the poorest developing countries obtaining increased quotas under the Multi-Fibre Arrangement. At the same time, it is imperative that Canada develop effective worker retraining, alternative employment opportunities and industrial restructuring and modernization initiatives that would allow it to support a phasing out of the Multi-Fibre Arrangement in favour of exposing the textile and clothing trade to normal GATT rules. (page 88)

We support the policy of encouraging clearly qualified newly industrializing countries to graduate from preferential arrangements in the GATT designed for lower-income developing countries to the full GATT régime. (page 88)

Development Assistance

A majority of the committee thinks that the goal of achieving the 0.7-per cent official development assistance target by 1990 should be restored. Other members felt that inasmuch as the government has a fiscal plan in place, the government should undertake the restoration of such aid only if government revenues support such action. Some favoured adopting a goal of 1.0 per cent beyond 1990. (page 90)

The committee affirms that meeting the needs of the poorest countries and peoples should remain the primary and overriding objective of the Canadian aid program. (page 91)

Because women are economically vulnerable, we recommend that direct assistance to women in developing countries be given priority. The issue of aid effectiveness cannot be addressed properly without discussing the vital role of women in the development process. The development community has only recently begun to understand this crucial issue. Development experts argue that tied aid is a major constraint in meeting the dual goals of aiding the poorest people and integrating women into the development process. Women are often the farmers, the providers of health care, the unofficial heads of households. It is absolutely essential that they be consulted on appropriate development technologies. CIDA has begun to implement a policy framework called Women in Development. The committee recommends that the government provide sufficient funds and staff to allow CIDA to implement the Women in Development policy framework and to achieve its stated targets. (page 91)

Official development assistance is still hobbled by the sometimes parochial and self-seeking nature of national aid programs. An example of this, which is by now part of

development lore, concerns the 15 different and incompatible types of irrigation pumps supplied by aid donors to Kenya. We recommend that Canada press for closer co-operation among aid donors and remain a strong supporter of multilateral approaches and institutions that encourage such co-operation. In general, we affirm the Canadian tradition of treating multilateral and bilateral aid channels as complementary and mutually reinforcing. (page 92)

We did not conduct an in-depth evaluation of the Canadian aid program. That task is being carried out by the House of Commons Standing Committee on External Affairs and International Trade. As the Committee defines its work program, we urge careful examination of several issues we have identified but not resolved. How can the administrative burden associated with aid be reduced? To what extent and in what ways can people and authority be transferred to the field? How can the costs associated with tied aid be reduced and the benefits to developing countries increased? How can people, from aid experts to the Canadian public, participate more effectively in improving the quality of Canada's development assistance? (page 92)

Non-governmental organizations, both voluntary and business, should be involved to the maximum extent possible in the planning and execution of Canada's official development assistance programs. They should, in fact, constitute the heart of expanded and revitalized technical assistance programs. (page 92)

To encourage partnership in international development it has been suggested that the government and voluntary organizations should establish 'development offices' in developing countries where Canada has aid programs but no embassy or in regions of developing countries remote from the capital and the Canadian embassy. Development offices would offer non-diplomatic functional support bases for both official development assistance and voluntary organizations. We urge the government and voluntary organizations jointly to consider this proposal and other practical measures for strengthening their partnership. (page 93)

The committee received a proposal for establishing a Canadian Industrial Co-operation Agency and we commend it for further consideration by the government and the House of Commons Standing Committee on External Affairs and International Trade. In essence such an agency would provide the means for small and medium-sized Canadian companies to assist their counterparts in the Third World in a variety of ways, including management contracts, technical agreements and joint ventures. An example of the sort of project the agency might support is the 'Industrial Incubator' approach of Fanshawe College in London, Ontario. (page 94)

Foreign Students

We believe that foreign students constitute an important asset for Canada that has not been sufficiently recognized in terms of improving trade opportunities, increasing cultural contacts and more generally for foreign policy. (page 96)

We recommend that the federal government prepare a statement of national goals and objectives as they relate to foreign students, and we would encourage the provinces to state their goals and objectives in this area. These statements should then be used as the basis for discussion at a First Ministers' Conference, with the aim of promoting the greatest possible harmony between federal and provincial goals and objectives. (page 96)

We were impressed by arguments that Third World countries need to develop their own institutions of higher education. At the same time, it is not feasible for them to establish a full range of graduate studies. We recommend that Canada's assistance be concentrated in the graduate field. (page 97)

Chapter Eight
Promoting Human Rights

We want to affirm what so many Canadians proclaimed before the committee: that the international promotion of human rights is a fundamental and integral part of Canadian foreign policy. (page 99)

Human Rights Protection

The committee believes that a basic standard is available to trigger and guide Canadian human rights policy, namely the appearance of a pattern of systematic, gross and continuous violations of basic human rights. (page 100)

The committee joins witnesses in recommending that Canada seek re-election to the United Nations Human Rights Commission and, in any case, follow its work actively. Particular attention should be paid to protecting and strengthening the position of the Commission within the United Nations system. We recommend further that Canada work to strengthen the UN Working Group on Indigenous Populations. Native peoples throughout the world have been among the earliest and most cruelly abused victims of the denial of human rights. (page 100)

The committee recommends strongly that an even closer collaboration with voluntary organizations become a central feature of the government's approach to human rights. (page 101)

We recommend that the government immediately investigate the most effective means of creating a Human Rights Advisory Commission. (page 101)

We recommend that the Department of External Affairs follow the example of the Netherlands Ministry for Foreign Affairs in establishing in-service training and refresher courses in human rights for all its officers. (page 101)

A House of Commons Standing Committee on Human Rights has just been created. As it begins to develop the international side of its mandate, we recommend that the Committee examine with particular care alleged international cases of gross and systematic violations of human rights, especially where they involve countries where Canada has large development assistance programs or significant trade relations. The Human Rights Committee should work closely with the Standing Committee on External Affairs and International Trade. At the same time we urge the external affairs committees of both the Senate and the House of Commons to keep human rights issues on their agendas and to place them in the broader context of Canada's overall foreign policy. The human rights findings and recommendations of these committees could form an important element in cabinet consideration of the eligibility list for official development assistance if the committees requested a comprehensive response to their reports from the government, as House of Commons committees are empowered to do under Standing Order 99(2). (page 101)

Visits abroad by the prime minister, other cabinet ministers and parliamentarians are among the most promising opportunities for expressing human rights concerns using a judicious blend of public pressure and private persuasion. We expect and encourage the government to take advantage of such opportunities, as indeed the Prime Minister did successfully on a recent trip to China and South Korea, the Secretary of State for External Affairs did on an earlier trip to the Soviet Union, and the Minister of External

Relations did on her trip to Central America in the fall of 1985. In blending human rights concerns with trade, diplomatic and aid discussions, Canada can convey the message that human rights are an integral, not a peripheral, part of its international relations. (page 102)

We endorse the following recommendations of the 1982 report of the Sub-committee on Canada's Relations with Latin America and the Caribbean:

- Canadian development assistance should be substantially reduced, terminated, or not commenced in cases where gross and systematic violations of human rights make it impossible to promote the central objective of helping the poor.

- Where countries systematically violate human rights or otherwise do not qualify for official development assistance, Canada should seek through international organizations to extend humanitarian assistance and to support those struggling for human rights.

- Where countries have a poor human rights record but not so extreme as to justify the termination of aid, Canada's development assistance should be channelled mainly through the private sector and particularly through non-governmental organizations that work directly with the poor. In addition, it should be the policy of the Canadian government in such cases to direct a portion of its assistance to organizations that are struggling to maintain and protect civil and political rights.

- Where countries that qualify for Canadian assistance are showing improvement in their respect for human rights this should be encouraged by a substantial increase in assistance. (page 102)

We recommend that Canada use its voice and vote at meetings of international financial institutions to protest systematic, gross and continuous violations of human rights. (page 103)

Human Rights Development

The committee is convinced that, while strengthening its approach to human rights protection, Canada should move forward and create a positive human rights development program as well. Through co-operative programs of financial support, exchange, research and technical assistance, Canada should contribute to the long-term development of political, civil and cultural rights as it now contributes to long-term economic and social development through the aid program. (page 103)

Canada is not—and should not be—in the business of exporting its own institutions. It can and should be equipped to share its experience and to co-operate with others as they develop their own institutions. Such programs would enjoy the active support, or at least the acquiescence, of partner country governments and peoples. (page 104)

We recommend that the government consider establishing an International Institute of Human Rights and Democratic Development with carefully prepared guidelines for supporting activities by non-governmental organizations. To ensure that the Institute is sensitive to the varying national perspectives on democratic development, particularly in the Third World, we recommend that its board of directors include international representation, on the model of the International Development Research Centre. Funding for the Institute should be provided as a small fraction of official development assistance funds. (page 105)

Assisting Refugees

We think it particularly important that Canada remain generous in providing sanctuary to Central American refugees that are the victims of repression and violence. We strongly support the government's decision to extend an oral hearing on questions of merit to all claimants. (page 107)

The government should press for Canadians to be appointed as senior officials of the United Nations High Commission for Refugees. With adequate representation, Canada should support the UNHCR in updating international refugee programs and coming to grips with outstanding policy questions, such as the definition of 'refugee' under international agreements and the rights and responsibilities of host countries. (page 107)

We strongly urge Canadian support for refugee income generation projects, such as the one for Afghan refugees in Pakistan, to assist refugees to be as self-supporting and productive as possible while seeking their repatriation or permanent resettlement. (page 107)

Afghanistan

The committee recommends that Canada continue to give high priority to providing humanitarian and medical assistance to Afghan refugees in Pakistan and that it strongly support the efforts of the International Red Cross and the United Nations High Commission for Refugees in particular. In its bilateral relations with the Soviet Union, Canada should take every opportunity to raise the issue of Afghanistan and make clear that Soviet occupation and devastation of that country constitute a serious obstacle to improved relations. (page 108)

South Africa

If the Commonwealth Group of Eminent Persons had reported that significant but insufficient progress was occurring in dismantling apartheid, the committee had agreed to recommend that Canada take the lead in preparing a further Commonwealth action plan consisting of specific sanctions such as those listed in clause 7 of the Commonwealth Accord of October 1985. (page 110)

Now that the Group of Eminent Persons has reported—as we feared it would—that no significant progress is occurring in dismantling apartheid, Canada should move immediately to impose full economic sanctions, seek their adoption by the greatest possible number of Commonwealth members, and promote similar action by non-Commonwealth countries. (page 110)

In any event, we strongly urge establishment of a black South African human rights and democratic development program. Canada established a scholarship program for black South Africans in 1983 and has since expanded it. We strongly support this approach and encourage further efforts to assist in building black social, economic and political institutions towards the day when black South Africans will exercise their full rights as citizens. (page 110)

We encourage the government to expand direct contacts at the highest levels with black political organizations in South Africa. Bearing in mind that lifting the ban on the

African National Congress (ANC) and releasing from prison its leader Nelson Mandela are two of the steps called for in the Commonwealth Accord, such high-level contacts should certainly include the ANC. (page 110)

Canada should continue to provide generous amounts of direct assistance and support international efforts, such as those of the Southern African Development Co-ordination Conference, to help South Africa's vulnerable neighbours cope with the economic difficulties that international sanctions directed at South Africa will create for them as well as to overcome punitive measures that the South African government might direct against them. (page 110)

Central America

A majority of the committee believes that it must be stressed that U.S. policy has been designed, in part, to counter other foreign military intervention in Central America and that Canada should oppose outside intervention in Central America by all countries. (page 112)

A majority of the committee opposes the proposal for immediate establishment of a Canadian embassy in Managua but urges the government to monitor the opportunities that might arise. (page 114)

While Canadian influence over the security policies of other countries is limited, Canada has a special opportunity to offer direct, practical and desperately needed help to the hundreds of thousands of refugees in Central America. We would urge two Canadian initiatives: establishment of a 'Refugee Watch' program with other countries and non-governmental organizations to provide greater security in the refugee camps; and active support for economic development and self-sufficiency programs for refugees. The government should also strengthen Canada's capacity to monitor human rights situations in Central America, paying particular attention to the circumstances in each country and the views of Canadian NGOs in these countries. Canada should promote co-operative programs of democratic and human rights development and support elements in these countries favouring progress in human rights. (page 114)

Chapter Nine
Improving Canada-U.S. Relations

The committee recommends that the government not miss any opportunity to emphasize to the government of the United States the importance of advance consultation. As a corollary, Canada should establish its own high standard for consulting the United States. Consultation in both directions should go far beyond simply giving advance information and should provide time for dialogue, reflection and policy adjustment. (page 120)

The effective management of relations with the United States is impossible unless there is a consistent effort made to achieve internal co-ordination of Canadian policies. (page 121)

It is important that Canada's case be made at every level of the U.S. system and that imagination be used in the search for allies in the United States. A combination of persuasive diplomacy and private sector pressure appears to have the greatest effect.

Effective co-ordination, patient persuasion, force of example, and constant reiteration of the problem are the keys to success. (page 122)

We conclude that the government should remain flexible in its choice of means to express disagreement with U.S. policies on international issues. The government can vary the degree of publicity accorded to such disagreement in terms of its language, the forum in which it is expressed and the stature of the spokesman. The choice of tactics should depend on the specific circumstances, keeping in mind not just the point at issue, but also the extent of Canada's interest and the importance attached to it by the U.S. government. (page 123)

We recommend that the government seek to initiate negotiations with the United States to settle the seaward extension of the three major maritime boundaries that remain in dispute. (page 125)

We recommend that a regular series of seminars be held expressly for middle-rank career officials of the governments of both countries, possibly including officials from state and provincial governments. (page 125)

Whenever negotiations are being undertaken with the United States that ultimately require congressional approval, we recommend that the Embassy of Canada in Washington continue to undertake its own independent soundings of the state of congressional opinion. (page 126)

The government of Canada should consider assigning a couple of junior officials to the Congressional Intern Program each year as part of their training. (page 126)

Chapter Ten
A Northern Dimension for Canadian Foreign Policy

The arctic region is rapidly becoming an area of international attention. Canada's huge stake in this region requires the development of a coherent arctic policy, an essential element of which must be a northern dimension for Canadian foreign policy. (page 127)

Canada should give priority to achieving an acceptable land settlement in the North and encourage efforts to find governmental structures that would support Inuit cultural autonomy within the Canadian federation. Support should be given to the development of renewable resources, particularly fishing. Abroad, Canada should make strenuous efforts to resist campaigns, especially in Europe, to ban the import of fur products. (page 128)

The committee considers that an arctic exchange program with the Soviet Union is an effective way to increase Canadian knowledge of the north as well as provide a basis for improving East-West relations. We recommend that the existing exchange program be properly funded. (page 128)

We recommend a concerted program to develop co-operative arrangements with all northern states. (page 130)

We recommend that Canada pay particular attention to developing good relations with Greenland. (page 5) Subject to the agreement of the government of Denmark, we urge the opening of a Canadian consulate in Greenland. (page 130)

The Question of Sovereignty

We recommend that the government of Canada renew its efforts to secure the agreement of the United States to Canada's claim to the Northwest Passage. (page 132)

Unless the United States agrees to recognize Canada's claim, the committee's preferred course of action at this time is a deliberate decision to allow time to pass rather than pressing for a decision by the International Court of Justice. (page 132)

Defence Questions

The committee recommends that the possibility of equipping the Canadian navy with diesel-electric submarines be reviewed in the context of a general examination of the country's naval forces and, more generally, of Canada's defence policy. (page 134)

We recommend that Canada, in co-operation with other arctic and nordic nations, seek the demilitarization of the arctic region through pressure on the United States and the Soviet Union, as well as through a general approach to arms control and disarmament. (page 135)

Chapter Eleven
The Case for Constructive Internationalism

We conclude that Canada's activities abroad should be guided by an approach based on constructive internationalism. This would impart both a vision and sense of purpose to Canadian foreign policy. (page 137)

Constructive internationalism recommends itself to us, not because it conjures up nostalgia for an imagined golden age of Canadian foreign policy, but because it most accurately describes the stance that Canada should take towards a difficult and uncertain international environment. (page 137)

Canada has a great deal more to gain from a posture of confident idealism than from one that is mean-spirited and ungenerous to the world at large. (page 137)

A major objective of Canadian foreign policy should be a broad effort to strengthen the effectiveness of international institutions. (page 138)

Constructive internationalism fulfils twin purposes: orienting Canadians to the external environment in a manner that appears most likely to serve their interests, and responding to the aspirations manifested by the hundreds of Canadians that appeared before the committee for an active and productive international role. A fuller realization of these aspirations depends on the government finding ways to devolve opportunities to the non-governmental sector for international activity by Canadians and encouraging the voluntarist streak that runs so markedly through the Canadian psyche. (page 139)

APPENDIX A

Public Hearings

Issue No.	*Date*	*Location*
19	October 9, 1985	Ottawa, Ontario
20	November 6, 1985	Ottawa, Ontario
21	November 20, 1985	Ottawa, Ontario
22	November 27, 1985	Ottawa, Ontario
23	December 4, 1985	Ottawa, Ontario
24	December 10, 1985	Ottawa, Ontario
25	December 11, 1985	Ottawa, Ontario
26	December 17, 1985	Ottawa, Ontario
27	December 18, 1985	Ottawa, Ontario
28	January 14, 1986	Ottawa, Ontario
29	January 15, 1986	Ottawa, Ontario
30	January 16, 1986	Ottawa, Ontario
31	January 20, 1986	Charlottetown, P.E.I.
32	January 21, 1986	Charlottetown, P.E.I.
32	January 21, 1986	Halifax, Nova Scotia
33	January 22, 1986	Halifax, Nova Scotia
34	January 23, 1986	St. John's, Newfoundland
35	January 24, 1986	St. John's, Newfoundland
36	January 28, 1986	Ottawa, Ontario
37	January 29, 1986	Ottawa, Ontario
38	February 4, 1986	Edmonton, Alberta
39	February 5, 1986	Saskatoon, Saskatchewan
40	February 6, 1986	Saskatoon, Saskatchewan
41	February 11, 1986	Ottawa, Ontario
42	February 12, 1986	Ottawa, Ontario
43	February 25, 1986	Ottawa, Ontario
44	March 4, 1986	Ottawa, Ontario
45	March 5, 1986	Ottawa, Ontario
46	March 10, 1986	Fredericton, New Brunswick
47	March 11, 1986	Montreal, Quebec
48	March 12, 1986	Montreal, Quebec
49	March 13, 1986	Quebec City, Quebec
50	March 17, 1986	Vancouver, British Columbia
51	March 18, 1986	Vancouver, British Columbia
52	March 20, 1986	Whitehorse, Yukon

Issue No.	*Date*	*Location*
53	March 25, 1986	Ottawa, Ontario
54	April 8, 1986	London, Ontario
55	April 9, 1986	Toronto, Ontario
56	April 10, 1986	Toronto, Ontario
57	April 10, 1986	Toronto, Ontario
58	April 11, 1986	Toronto, Ontario
59	April 15, 1986	Ottawa, Ontario
60	April 23, 1986	Yellowknife, N.W.T.
61	April 24, 1986	Winnipeg, Manitoba
62	April 25, 1986	Winnipeg, Manitoba

APPENDIX B

Committee Witnesses

The committee wishes to express its thanks to the Right Honourable Charles Joseph Clark, Secretary of State for External Affairs for meeting with its members to discuss issues raised by the Green Paper on *Competitiveness and Security*.

Witnesses who appeared before the Committee are listed in alphabetical order. The issue number of the *Minutes of Proceedings and Evidence* is indicated in parentheses.

Academics for Nuclear Disarmament (Issue 35)
Acadian Writers Association (Issue 46)
Adelman, Howard, Professor (Issue 56)
Alberta Chamber of Commerce (Issue 38)
Alberta Society of Engineering Technologists (Issue 38)
Allan, Jim (Issue 57)
American and Canadian Bar Associations (Issue 47)
Amnesty International — Canadian Section (Issue 41)
Andrew, Arthur (Issue 33)
Antonius, Rashad (Issue 48)
Archbishop Oscar Romero Central America Refugee Committee (Issue 39)
Armenian National Committee of Canada (Issue 46)
Armenian, Atken, Dr. (Issue 55)
Arusha International Development Resource Centre (Issue 38)
Asia Pacific Foundation of Canada (Issue 51)
Association of Atlantic Universities (Issue 33)
Association of Universities and Colleges of Canada (Issue 44)
Association québécoise des organismes de coopération internationale (Issue 47)
Association québécoise des organismes de coopération internationale and the *Conseil canadien de coopération internationale* (Issue 47)
Atlantic Council of Canada (Issue 56)
B'nai Brith Canada (Issue 56)
B.C. Teachers' Federation (Issue 51)
Baha'i Community of Canada (Issue 56)
Bailey, Stuart (Issue 39)
Bailie, Warren (Issue 56)
Batty, Linda (Issue 39)
Baudais, Michelle (Issue 39)
Bedell, James (Issue 46)
Benabdallah, Abdelkader (Issue 47)
Berlinguet, Louis (Issue 48)

APPENDIX C

Submissions Received

The Committee received written material (articles, briefs, reports or letters) from the following groups and individuals.

Abu Laban, Baha
Edmonton, Alberta

Academics for Nuclear Disarmament
St. John's, Newfoundland

Acadian Writers Association
Moncton, New Brunswick

Adlington, K. and L.K.
Calgary, Alberta

Adlington, R.G.
Calgary, Alberta

African National Congress (South Africa)
Toronto, Ontario

Aga Khan Foundation Canada
Vancouver, British Columbia

Ahmad, Jaleel
Montreal, Quebec

Ahmad, Naseer
Mississauga, Ontario

Alarie, Luc and Courchesne, André
Saint Boniface, Manitoba

Alberta Chamber of Commerce
Edmonton, Alberta

Alberta Nurses for Nuclear Disarmament
Edmonton, Alberta

Alberta Vocational Centre — Calgary
Calgary, Alberta

Alexanderson, A.
Winnipeg, Manitoba

Alexandrowicz, George W.
Kingston, Ontario

Amitiés Québec-Israël
Montreal, Quebec

Amnesty International — Canadian Section
Ottawa, Ontario

Andrew, Arthur
Halifax, Nova Scotia

Antosko, Ronald J.
Rosemere, Quebec

Arbitrators Institute of Canada
Toronto, Ontario

Archbishop Oscar Romero Central America Refugee Committee
Saskatoon, Saskatchewan

Archibald, Elizabeth
Ottawa, Ontario

Armenian National Committee of Canada
Montreal, Quebec

Armstrong, Kimberly H.
Edmonton, Alberta

Arusha International Development Resource Centre
Calgary, Alberta

Asling, Jerrold
Hanover, Ontario

Association of Atlantic Universities
Halifax, Nova Scotia

Association of Canadian Community Colleges
Toronto, Ontario

Association of United Ukranian Canadians
Vernon, British Columbia

Association of Universities and Colleges of Canada
Ottawa, Ontario

Association québécoise des organismes de coopération internationale
Montreal, Quebec

Atlantic Council of Canada
Toronto, Ontario

Atlantic Solidarity Network
Moncton, New Brunswick

Austin, Mark D.
Dartmouth, Nova Scotia

Avery, William F.
Saskatoon, Saskatchewan

B'nai Brith Canada
Downsview, Ontario

B.C. Teachers' Federation
Vancouver, British Columbia

Bagot, H.
Edmonton, Alberta

Baha'i Community of Canada
Thornhill, Ontario

Bailie, Warren R.
Toronto, Ontario

Balinsky, Clara
Montreal, Quebec

Baltic Federation in Canada
Port Perry, Ontario

Bartel, Robert
Rosthern, Saskatchewan

Bartholomew, Michael K.
Ottawa, Ontario

Baudais, Michelle
Saskatoon, Saskatchewan

Beasley, Alec C.
Winfield, British Columbia

Beaudry, Gérard
Longueuil, Quebec

Bélanger, Vern
Montreal, Quebec

Bélec, Alphonse J.
St. Sauveur des Monts, Quebec

Bell, Howard
Vancouver, British Columbia

Berlinguet, Louis
Montreal, Quebec

Beyond War — Victoria
Victoria, British Columbia

Bishop, Barbara
Penetang, Ontario

Blackwood, Thomas A.
Victoria, British Columbia

Board of Trade of Metropolitan Toronto
Toronto, Ontario

Boardman, Robert
Halifax, Nova Scotia

Booth, Bill
Cobourg, Ontario

Bow, Malcolm N.
Sidney, British Columbia

Boyle, Elizabeth
Guelph, Ontario

Brampton Area Peace Council
Brampton, Ontario

Brecher, Irving
Montreal, Quebec

Brett, Jane P.
Victoria, British Columbia

Brock University
St. Catharines, Ontario

Browne, W.J., Honourable, P.C.
St. John's, Newfoundland

Burlington Association for Nuclear Disarmament
Burlington, Ontario

Burnett, James E.
Kentville, Nova Scotia

Business Council on National Issues
Ottawa, Ontario

Byberg, Ed
Port Coquitlam, British Columbia

Byrd, Robert O.
Richmond Hill, Ontario

C.D. Howe Institute
Toronto, Ontario

Caccia, Charles, Honourable, P.C., M.P.
Ottawa, Ontario

Calgary Inter-Faith Community Action Association
Calgary, Alberta

Campagne UN F-18 pour la paix
Montreal, Quebec

Canada Israel Committee
Ottawa, Ontario

Canada Palestine Association
Halifax, Nova Scotia

Canada Palestine Solidarity Committee
Mississauga, Ontario

Canada Taiwan Friendship Association
Thunder Bay, Ontario

Canadian Action for Nicaragua
Toronto, Ontario

Canadian Arab Federation
Islington, Ontario

Canadian Arab Friendship Association
Edmonton, Alberta

Canadian Arab Friendship Society of Toronto
Don Mills, Ontario

Canadian Arctic Resources Committee
Ottawa, Ontario

Canadian Association for Free Expression Inc.
Rexdale, Ontario

Canadian Association for Latin American and Caribbean Studies
Ottawa, Ontario

Canadian Association for the Club of Rome
Westmount, Quebec

Canadian Association of African Studies
Ottawa, Ontario

Canadian Association of University Teachers
Ottawa, Ontario

Canadian Bureau for International Education
Ottawa, Ontario

Canadian Catholic Organization for Development and Peace — Halifax North
Halifax, Nova Scotia

Canadian Catholic Organization for Development and Peace —
Hamilton-Wentworth Deanery Group
Dundas, Ontario

Canadian Catholic Organization for Development and Peace — Pembroke Diocesan Council
Golden Lake, Ontario

Canadian Catholic Organization for Development and Peace — Prince Albert Diocesan Council
Prince Albert, Saskatchewan

Canadian Centre for Arms Control and Disarmament
Ottawa, Ontario

Canadian Chamber of Commerce
Ottawa, Ontario

Canadian Coalition for Peace Through Strength Inc.
Toronto, Ontario

Canadian Conference of Catholic Bishops
Ottawa, Ontario

Canadian Council for International Co-operation
Ottawa, Ontario

Canadian Council of Churches
Toronto, Ontario

Canadian Crossroads International
London, Ontario

Canadian Federation of Students — National Graduate Council
Ottawa, Ontario

Canadian Federation of Students — Ontario
Toronto, Ontario

Canadian Foreign Aid Dialogue
Halifax, Nova Scotia

Canadian Friends of the International Christian Embassy, Jerusalem, Association
Beauport, Quebec

Canadian Higher Education Research Network
Ottawa, Ontario

Canadian Hispanic Congress
Islington, Ontario

Canadian Human Rights Foundation
Montreal, Quebec

Canadian Institute of International Affairs — Montreal
Montreal, Quebec

Canadian Institute of International Affairs — Working Group of the National Capital Branch
Ottawa, Ontario

Canadian Institute of Stretegic Studies
Toronto, Ontario

Canadian Jewish Congress
Montreal, Quebec

Canadian Labour Congress
Ottawa, Ontario

Canadian Nature Federation
Ottawa, Ontario

Canadian Peace Congress
Toronto, Ontario

Canadian Polish Congress
Toronto, Ontario

Canadian Save the Children Fund
Toronto, Ontario

Canadian Wildlife Federation
Ottawa, Ontario

Canadian Women for Free Enterprise
West Vancouver, British Columbia

Canadians Concerned about Southern Africa
Toronto, Ontario

Canadians Concerned for The Middle East
London, Ontario

Canadians of Armenian and Hellenic Origin
Montreal, Quebec

Carby-Samuels, Horace R.
Richmond Hill, Ontario

Carrière, Michel R.
Ottawa, Ontario

Carter, Marilyn L.
Port Colborne, Ontario

Castillo, Consuelo
Toronto, Ontario

Central American Anti-US Intervention Coalition
Charlottetown, Prince Edward Island

Central Toronto Peace Group
Toronto, Ontario

Centre d'études Arabes pour le Développement (Canada)
Montreal, Quebec

Centre d'information et de documentation sur le Mozambique et l'Afrique Australe
Montreal, Quebec

Charbonneau, Robert
St. Fulgence, Dubuc County, Quebec

Children's Crusade for Peace
St. John's, Newfoundland

Chilliwack Interchurch Committee for World Education
Chilliwack, British Columbia

Christian Task Force on Central America
Burnaby, British Columbia

Christoffersen, A.
Victoria, British Columbia

Church, Jim
Esterhazy, Saskatchewan

Cinis, V.
Toronto, Ontario

Cirkin, David
Kitchener, Ontario

Citizens for Foreign Aid Reform
Rexdale, Ontario

Citizens for Nuclear Responsibility
Lennoxville, Quebec

Citizens for Peace
Abbotsford, British Columbia

Clague, Ian
Vancouver, British Columbia

Coalition for Aid to Nicaragua
Vancouver, British Columbia

Coalition for the Self-Determination of Peoples
St. John's, Newfoundland

Coalition of Provincial Organizations of the Handicapped
Winnipeg, Manitoba

Cohn, Theodore
Burnaby, British Columbia

Commission on National Parks and Protected Areas
Hull, Quebec

Committee of Solidarity with People of El Salvador
Toronto, Ontario

Communist Party of Canada — Central Committee
Toronto, Ontario

Confedco
Toronto, Ontario

Confédération des syndicats nationaux
Montreal, Quebec

Conscience Canada
Victoria, British Columbia

Council of Muslim Communities of Canada
Hamilton, Ontario

Council of Ontario Universities
Toronto, Ontario

Counter Terror Study Centre
Winnipeg, Manitoba

Cullen, Daniel and Fisher, Gabriel
Wolfville, Nova Scotia

Cunningham, Allan
Lions Bay, British Columbia

CUSO
Ottawa, Ontario

CUSO — London
London, Ontario

CUSO — Saskatchewan
Saskatoon, Saskatchewan

Cuthbert, Constance J.
London, Ontario

Dalhousie University
Halifax, Nova Scotia

Davis, Sally
Paradise, Newfoundland

Davison, Charles B.
Edmonton, Alberta

De Groot, Eric
Scarborough, Ontario

De Jongh, Elly
Edmonton, Alberta

Degraaf, Peter
Ottawa, Ontario

Development Assistance and The Environment
Hamilton, Ontario

Diamond, Robert
Corner Brook, Newfoundland

Diaz, A. Marco Antonio
Edmonton, Alberta

Dickey, Andy
Edmonton, Alberta

Dingman, Frank Spence
Surrey, British Columbia

Dixon, Sophia Hansine
Saskatoon, Saskatchewan

Donovan, A.E.
St. John's, Newfoundland

Dosne, James J.E.
Pointe Claire, Quebec

Dowhaluk, Harry
Tamworth, Ontario

Dubé, Mark
Regina, Saskatchewan

Ealam Tamil Association of Alberta
Edmonton, Alberta

Ealam Tamil Association of British Columbia
Vancouver, British Columbia

Eaton, Brian
Whitehorse, Yukon

End The Arms Race
Vancouver, British Columbia

Energy Conversion Systems, Inc.
Ottawa, Ontario

Energy Probe
Ottawa, Ontario

Eritrean Relief Association in Canada Inc.
Toronto, Ontario

Estonian Central Council in Canada
Toronto, Ontario

Esvelt, B.F.
Bramalea, Ontario

Ewanchuk, Cliff
Vancouver, British Columbia

Fanshawe College
London, Ontario

Faris, Hani
Vancouver, British Columbia

Federation of Military and United Services Institutes of Canada
Fredericton, New Brunswick

Findlay, Seaton
Ottawa, Ontario

First Unitarian Congregation of Toronto
Toronto, Ontario

Fitzgerald, Mike
Calgary, Alberta

Flamborough Peace Group
Carlisle, Ontario

Ford, Brenda
Moncton, New Brunswick

Forum Africa Coordinating Committee (Ottawa)
Ottawa, Ontario

Fournier, Louis
Moncton, New Brunswick

Fraser, Ian
Montreal, Quebec

Free South Africa Committee of Montreal
Montreal, Quebec

Fretz, Judith
Saskatoon, Saskatchewan

Fretz, Katie
Saskatoon, Saskatchewan

Fundamental Research Institute
Gloucester, Ontario

GATT-Fly
Toronto, Ontario

Gearing, William R.
Orillia, Ontario

Gertler, Ann
Westmount, Quebec

Gibson, Alice
Saskatoon, Saskatchewan

Gilmore, John
Montreal, Quebec

Gilmour, Kenneth John
Hastings, Ontario

Global Community Centre
Waterloo, Ontario

Global Village (Nanaimo)
Nanaimo, British Columbia

Godderis, Ann
Castlegar, British Columbia

Golding, Donald W.
Oshawa, Ontario

Gordonhead United Church
Victoria, British Columbia

Graduate Students' Union — University of Toronto
Toronto, Ontario

Group of 78
Ottawa, Ontario

Group of 78 — Atlantic Caucus
Halifax, Nova Scotia

Gullone, Anthony
Hamilton, Ontario

Harmes, Paul E.
Toronto, Ontario

Hassan, Merwan
Ottawa, Ontario

Hatley, James J.
Toronto, Ontario

Hemming, Timothy C.S.
Toronto, Ontario

Henderson, Michael D.
Downsview, Ontario

Heinrich, H.J.
Hudson Heights, Quebec

Hillmer, Norman
Ottawa, Ontario

Hiroshima-Nagasaki Relived
Toronto, Ontario

Hoffmann, H.
Toronto, Ontario

Hogg, D.A.
Agincourt, Ontario

Home Street Mennonite Church
Winnipeg, Manitoba

Hortop, Sally and Scott
Hanover, Ontario

Howard, Rhoda E.
Hamilton, Ontario

Howell, Helen and Doug
Victoria, British Columbia

Hudgin, Cecil A.
Scarborough, Ontario

Human Rights Awareness New Brunswick Inc.
St. John, New Brunswick

Hungarian Human Rights Foundation (Canada)
Mississauga, Ontario

Hungarian Human Rights Foundation (Canada)
Montreal, Quebec

Hunter, David
Don Mills, Ontario

Hyndman, James E.
Ottawa, Ontario

Indigenous Survival International
Ottawa, Ontario

Institute for International Development and Co-operation
Ottawa, Ontario

Inter Pares
Ottawa, Ontario

Inter-Church Committee for World Development Education — Halifax – Dartmouth
Halifax, Nova Scotia

Inter-Church Committee for World Development Education — Victoria
Victoria, British Columbia

Inter-Church Committee on Human Rights in Latin America
Toronto, Ontario

Interchurch Uranium Committee
Saskatoon, Saskatchewan

Intercultural Association of Greater Victoria
Victoria, British Columbia

International Business Council of Canada
Ottawa, Ontario

International Council for Adult Education
Toronto, Ontario

International Defence and Aid Fund for Southern Africa (Canada)
Ottawa, Ontario

International March for Peace in Central America
Montreal, Quebec

International Organization on Youth and Law
Montreal, Quebec

International Submarine Transportation Systems Inc.
Halifax, Nova Scotia

Inuit Circumpolar Conference
Ottawa, Ontario

Inuit Committee on National Issues
Ottawa, Ontario

Inuit Tapirisat of Canada
Ottawa, Ontario

Iranian National Council of Resistance in Canada and U.S.A.
Toronto, Ontario

Jackson, R.A.
St. Alberta, Alberta

Jardine, Kevin
Toronto, Ontario

Jesson, Michael George
Granbrook, British Columbia

Jull, Peter
Ottawa, Ontario

Justice and Peace Office — Scarboro Foreign Mission Society
Scarborough, Ontario

Kallidumbil, Dave
Guelph, Ontario

Karges, Ellie and Brezden, Patricia
Kitchener, Ontario

Kelly, R.W.
Eden Mills, Ontario

Kendall, Reginald W.
London, Ontario

Khalifa, A. Momin
Glace Bay, Nova Scotia

Khattak, John
Abbotsford, British Columbia

Kingston Anti-Apartheid Coalition
Kingston, Ontario

Kinnon, Gordon Carl

Kirk, John
Halifax, Nova Scotia

Kirkey, Christopher
Kingston, Ontario

Klapauszak, Michael
Edmonton, Alberta

Klassen, Menno
Winnipeg, Manitoba

Klein Cohen, Bryna
St. Laurent, Quebec

Kollar, Ivan
Regina, Saskatchewan

Kowalchuk, Chris
Oakville, Ontario

Kubursi, Atef
Hamilton, Ontario

Kukovica, Tom
Puslinch, Ontario

Lane, Henry W.
London, Ontario

Langara Students Union
Vancouver, British Columbia

Laprise, Guy
Chicoutimi, Quebec

Latin American Mission Program of the Roman Catholic Diocese of Charlottetown
Charlottetown, Prince Edward Island

Latter, Carol and Walter
Duncan, British Columbia

Lawrence, E.A.
Calgary, Alberta

Leblanc, Philippe
Toronto, Ontario

Leeksma, Andrew C.
Oakville, Ontario

Liddar, Bhupinder Singh
Ottawa, Ontario

London Conference of the United Church of Canada
Lakeside, Ontario

London Cross Cultural Learner Centre
London, Ontario

Ljunggren, Linda
Hamilton, Ontario

Lubbock, Michael
Ottawa, Ontario

Lyon, Peyton V.
Ottawa, Ontario

Macaulay, John C.
Red Deer, Alberta

Macy, Richard Hooe
Ottawa, Ontario

Mahant, Edelgard
Sudbury, Ontario

Mahmood, Tariq
Winnipeg, Manitoba

Maison d'Afrique
Montreal, Quebec

Malcolmson, Robert
Kingston, Ontario

Manitoba Action Committee on The Status of Women
Winnipeg, Manitoba

Manitoba Peace Council
Winnipeg, Manitoba

Marchak, Richard V.
Orillia, Ontario

Marsh, John S.
Peterborough, Ontario

Mather, G.B.
Saskatoon, Saskatchewan

McDonald, Heather B.
Barrie, Ontario

McDougall, Catherine
Summerland, British Columbia

McEwen, Evanel
Sydney, Nova Scotia

McIntyre, Jim
Vancouver, British Columbia

McKenna, Lynn and Thompson, Audrey
Lindsay, Ontario

McKenna, Suzanne
Fredericton, New Brunswick

McMaster University
Hamilton, Ontario

McMurtry, John
Guelph, Ontario

McNie, John
Hamilton, Ontario

McPhail, Thomas L.
Calgary, Alberta

McPhee, Betty
Toronto, Ontario

McRae, Jim
Ottawa, Ontario

McRobert, David
Downsview, Ontario

McWhinney, Edward
Burnaby, British Columbia

Mennonite Central Committee
Ottawa, Ontario

Métis National Council
Ottawa, Ontario

Miller, Joanna E.
Saskatoon, Saskatchewan

Minish, Garth A.
Oakbank, Manitoba

Mission for Peace
Toronto, Ontario

Mohyuddin, Mirza
Edmonton, Alberta

Mollinga, George
Stoney Creek, Ontario

Monin, Gene
Sault Ste. Marie, Ontario

Montreal Inter-University Pacific Island Group
Montreal, Quebec

Mooney, Monica
St. John, New Brunswick

Moran, Susan Mary
Toronto, Ontario

Mott, M.
New Westminster, British Columbia

Mundle, Garth I.
Edmonton, Alberta

Munro, Donald W.
Victoria, British Columbia

Murray, Andrew B.
West Vancouver, British Columbia

Myers, Dick
Kingston, Ontario

National Action Committee on The Status of Women
Toronto, Ontario

Native Council of Canada
Ottawa, Ontario

Navy League of Canada
Ottawa, Ontario

Nelson, J. Gordon
Waterloo, Ontario

Neufeld, E.P.
Montreal, Quebec

New Brunswick Multicultural Council
Fredericton, New Brunswick

Nicaragua Solidarity Society of British Columbia
Vancouver, British Columbia

Nieman, William
Victoria, British Columbia

Njoku, Emeka A.
London, Ontario

North Bay Peace Alliance
North Bay, Ontario

North-South Institute
Ottawa, Ontario

Northwest Territories, Government of the
Yellowknife, Northwest Territories

Nossal, Kim Richard
Hamilton, Ontario

Nova Scotia World Food Day Committee
Halifax, Nova Scotia

Nuala Beck and Associates Inc.
Toronto, Ontario

Nuclear Free North
Yellowknife, Northwest Territories

Nunavut Constitutional Forum
Ottawa, Ontario

O'Neill, M.
Toronto, Ontario

Okonkwo, Clem
West Hill, Ontario

Onstein, Peter
Brockville, Ontario

Ontario Graduate Association
Toronto, Ontario

Operation Dismantle Inc.
Ottawa, Ontario

Orbita Consultants Limited
Ottawa, Ontario

Orlando, Dana
Montreal, Quebec

Orvik, Nils
Kingston, Ontario

Ottawa Central America Solidarity Committee
Ottawa, Ontario

Oxfam-Canada — London Branch
London, Ontario

Oxfam-Canada — National Office
Ottawa, Ontario

Pachai, Bridglal
Dartmouth, Nova Scotia

Pacific Basin Economic Council — Canadian Committee
Ottawa, Ontario

Palestine-Isreal Committee
London, Ontario

Parksville-Qualicum Inter-Church World Development Study Group
Parksville, British Columbia

Patterson, J.W.
Ottawa, Ontario

Peace Research Institute — Dundas
Dundas, Ontario

Peach, Nora
Otterburn Park, Quebec

Physicians for Social Responsibility — B.C. Chapter
Vancouver, British Columbia

Pierre Larouche et Associés
Longueuil, Quebec

Pittenbrigh, A.D.
Port Perry, Ontario

Plourde, Robert
Saint Augustin de Desmaures, Quebec

Pollock, David
Ottawa, Ontario

Pollock, Irwin
Montreal, Quebec

Pollution Probe Foundation
Toronto, Ontario

Poncelet, Maurice
Ottawa, Ontario

Powell, Layne
Vancouver, British Columbia

Preddie, Calvin Kenneth
Cornwall, Ontario

Price, Jeremy
London, Ontario

Prince George Campaign for Nuclear Disarmament
Prince George, British Columbia

Prince Rupert Labour Council
Prince Rupert, British Columbia

Professional Association of Foreign Service Officers
Ottawa, Ontario

Project Peacemakers
Winnipeg, Manitoba

Project Ploughshares — Calgary
Calgary, Alberta

Project Ploughshares — Cape Breton
Sydney, Nova Scotia

Project Ploughshares — Halifax-Dartmouth Branch
Dartmouth, Nova Scotia

Project Ploughshares — Kawartha
Lakefield, Ontario

Project Ploughshares — Lunenburg County
Lunenburg, Nova Scotia

Project Ploughshares — National Office
Ottawa, Ontario

Project Ploughshares — Orillia Branch
Orillia, Ontario

Project Ploughshares — Pictou County
Scotsburn, Nova Scotia

Project Ploughshares — Saskatoon
Saskatoon, Saskatchewan

Public Education for Peace Society
New Westminster, British Columbia

Public Social Responsibility Committee — Diocese of Niagara Anglican Church of Canada
Hamilton, Ontario

Qamar, Ijaz
Winnipeg, Manitoba

Queen's University
Kingston, Ontario

Quittner, J.
Toronto, Ontario

Ramsay, Frank L.
Garibaldi Highlands, British Columbia

Regroupement pour un dialogue Israël-Palestine
Montreal, Quebec

Religious Society of Friends — Argenta B.C. Chapter
Argenta, British Columbia

Religious Society of Friends — Quaker Committee on Native Concerns
Halifax, Nova Scotia

Religious Society of Friends — Simcoe-Muskoka Monthly Meeting
Oro Station, Ontario

Religious Society of Friends — St. John's Worship Group
St. John's, Newfoundland

Religious Society of Friends — Victoria Monthly Meeting
Victoria, British Columbia

Réseau québecois de solidarité avec l'Amérique Centrale
Montréal, Québec

Reyda, Carol E.
Regina, Saskatchewan

Richmond, Anthony H.
North York, Ontario

Ridd, Carl
Winnipeg, Manitoba

Roberts, Guy
Ottawa, Ontario

Roche, Douglas
Ottawa, Ontario

Rogers, Walter E.
Thunder Bay, Ontario

Rohmer, Richard
Toronto, Ontario

Rose, Loretta
Edmonton, Alberta

Rosser, D.
Qualicum Beach, British Columbia

Royal Canadian Legion
Ottawa, Ontario

Royal Kingston United Services
Kingston, Ontario

Ruderman, A. Peter
Halifax, Nova Scotia

Rural Women's Conference
Antigonish, Nova Scotia

Saeed, Usamah
Longueuil, Quebec

Saint-Vincent, L.R.
Chambly, Quebec

Salem, Norma and Antonius, Rashad
Montreal, Quebec

Samagh, Raghbir Singh and Bal, Manohar Singh
Toronto, Ontario

Sanderson, George
Tottenham, Ontario

Sara, Iqbal
Vancouver, British Columbia

Saskatchewan Council for International Cooperation
Regina, Saskatchewan

Saskatoon Concerned Youth
Saskatoon, Saskatchewan

Saskatoon Nicaragua Support Committee
Saskatoon, Saskatchewan

Saskatoon Peace Council
Saskatoon, Saskatchewan

Sawdon, Ed
Peterborough, Ontario

Schmidt, William C. and Roth, Jamie
Stratford, Ontario

Science for Peace — Quebec Chapter
Montreal, Quebec

Science for Peace — Toronto Chapter
Toronto, Ontario

Science for Peace-Vancouver Chapter
Vancouver, British Columbia

Shaw, Timothy
Halifax, Nova Scotia

Sherman, Joan
Athabasca, Alberta

Sherwood, Fredric R.
Victoria, British Columbia

Shilstra, U.A.
Toronto, Ontario

Sikh Association Brantford
Brantford, Ontario

Sikh Canadian Society
Mississauga, Ontario

Simon Fraser University
Burnaby, British Columbia

Simon, Lindsay
West Vancouver, British Columbia

Smith, Kerry
Charlottetown, Prince Edward Island

Smyth, Ross
Montreal, Quebec

Snell, Elizabeth and Cecile, Charles
Cambridge, Ontario

Snyder, Arnold
Waterloo, Ontario

Social Justice Committee of Montreal
Montreal, Quebec

Social Justice Committee of The Diocese of St. Peter's
Cudworth, Saskatchewan

Solidarity Centre
Chatham, Ontario

South Asia Partnership — Canada
Ottawa, Ontario

South Pacific Peoples Foundation of Canada
Victoria, British Columbia

Sowerby, E.M.
Vancouver, British Columbia

St. Jacques, Marc
St. Bruno, Quebec

St. John's Parish Peace and Justice Group
Victoria, British Columbia

Starowicz, Mark
Toronto, Ontario

Stein, Janice
Toronto, Ontario

Stepan, Corrie
Regina, Saskatchewan

Stewart, D.B. and Ruth
Killarney, Manitoba

Stewart, Dorothy J.
Qualicum Beach, British Columbia

Stiles, J.
Montague, Prince Edward Island

Stokes, S.C.W.
Burnaby, British Columbia

Strain, George W.
Sudbury, Ontario

Strait Area Education and Recreation Centre
Port Hawkesbury, Nova Scotia

Students' Society of McGill University
Montreal, Quebec

Stukel, A.
Ottawa, Ontario

Sullivan, Nora
Lethbridge, Alberta

Swords, Mike
Kars, Ontario

Taskforce on the Churches and Corporate Responsibility
Toronto, Ontario

Taylor, D.R.F.
Ottawa, Ontario

Ten Days for World Development — North York
Willowdale, Ontario

Ten Days for World Development — Surrey – White Rock
White Rock, British Columbia

Ten Days for World Development — Vancouver
Vancouver, British Columbia

Ten Days for World Development and Project Ploughshares — Brantford
St. George, Ontario

Ten Days for World Development Committee — Maidstone and Area Group
Maidstone, Saskatchewan

Tetley, William
Montreal, Quebec

Third World Resource Centre
Windsor, Ontario

Thysse, Bill
Edmonton, Alberta

Tombs, Edward P.
Winnipeg, Manitoba

Toronto Anti-Intervention Coalition
Toronto, Ontario

Toronto United Mennonite Church
Toronto, Ontario

Toronto Universities Middle East Group
Toronto, Ontario

Toronto Zionist Council
Toronto, Ontario

Toronto's Central America Solidarity Committees
Toronto, Ontario

Tremblay, Miville
Montreal, Quebec

Turel, Franziska
Saskatoon, Saskatchewan

Ukrainian Canadian Committee
Winnipeg, Manitoba

Unitarian Church of Victoria
Victoria, British Columbia

United Church of Canada — Cambrian Presbytery
Thunder Bay, Ontario

United Church of Canada — Regina Presbytery
Regina, Saskatchewan

United Church of Canada — Toronto Conference
Toronto, Ontario

United Council of Filipino Associations in Canada
Ottawa, Ontario

United Nations Association in Canada
Toronto, Ontario

United Nations Association in Canada — Winnipeg Branch
Winnipeg, Manitoba

University College of Cape Breton — Centre for International Studies
Sydney, Nova Scotia

University of Alberta
Edmonton, Alberta

University of British Columbia Students for Peace and Mutual Disarmament
Vancouver, British Columbia

University of Guelph
Guelph, Ontario

University of Quebec at Three Rivers
Three-Rivers, Quebec

University of Toronto — International Economics Program
Toronto, Ontario

University of Toronto Faculty Association
Toronto, Ontario

University of Windsor
Windsor, Ontario

Urbanc, Peter
Don Mills, Ontario

Valentine, Charles P.
Argenta, British Columbia

Van Leusden, D.M.
Winnipeg, Manitoba

Vancouver Community College
Vancouver, British Columbia

Vancouver Unitarian Church — Canadian Unitarian Council
Vancouver, British Columbia

Vancouver Youth for Peace Action
Vancouver, British Columbia

Vanderput, H.
Carmen, Manitoba

Vernon Peace Coalition
Vernon, British Columbia

Veterans for Multilateral Nuclear Disarmament
Halifax, Nova Scotia

Victoria International Development Education Committee
Victoria, British Columbia

Virke, Zakaria
Kingston, Ontario

Voice of Woman — Nova Scotia
Halifax, Nova Scotia

Voice of Women — Fredericton Branch
Fredericton, New Brunswick

Voice of Women — Nelson B.C. Branch
Nelson, British Columbia

Voice of Women — Vancouver Branch
Vancouver, British Columbia

Voice of Women — Victoria
Victoria, British Columbia

Von Mirbach, Henning
Ottawa, Ontario

Wells, Phillip H.
Argenta, British Columbia

Weser, Ernest J.
Laird, Saskatchewan

Western University Students' Council
London, Ontario

Westside United Church Women
Owen Sound, Ontario

Whalley, John
London, Ontario

Wilkins, Lillie S.
Killarney, Manitoba

Wilkinson, P.R.
Lethbridge, Alberta

Wilson, Derek B.
Winnipeg, Manitoba

Wilson, Ken
Malton, Ontario

Winnipeg Coordinating Committee for Disarmament
Winnipeg, Manitoba

Wiseman, Henry, Professor
Guelph, Ontario

Witness for Peace
Otterburn, Ontario

Woolcott, Peter
Owen Sound, Ontario

World Citizens Learner Centre
Lethbridge, Alberta

World Federalists of Canada — Kingston Branch
Kingston, Ontario

World Federalists of Canada — Dundas Branch
Dundas, Ontario

World Federalists of Canada — Kitchener-Waterloo Branch
Waterloo, Ontario

World Federalists of Canada — Montreal Branch
Montreal, Quebec

World Federalists of Canada — Ottawa Branch
Ottawa, Ontario

World Federalist of Canada — Vancouver Branch
Vancouver, British Columbia

World Food Day Association of Canada
Ottawa, Ontario

World Literacy of Canada
Toronto, Ontario

World Vision Canada
Mississauga, Ontario

Wowchuk, Stephen
Mississauga, Ontario

YWCA — Calgary
Calgary, Alberta

Zypchyn, Karen
Regina, Saskatchewan

The Committee also received from 1,955 persons a mail-in petition sponsored by Non-Intervention in Central America: Canadians for Self-Determination, making recommendations on Canadian policy towards Central America.

A copy of the relevant Minutes of Proceedings and Evidence of the Special Joint Committee on Canada's International Relations (*Issue Nos. 19 to 62 inclusive and Issue No. 63, which contains this Report*) is tabled.

Respectfully submitted,

Senator Jean-Maurice Simard — Tom Hockin, MP

Joint Chairmen