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SECRÉTAIRE
D'ÉTAT AUX
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NOTES FOR A STATEMENT BY
THE SECRETARY OF STATE
FOR EXTERNAL AFFAIRS,
THE HONOURABLE DON JAMIESON,
TO THE HOUSE OF COMMONS
STANDING COMMITTEE ON
EXTERNAL AFFAIRS AND
NATIONAL DEFENCE, OTTAWA,
MARCH 8, 1979

"CURRENT ISSUES IN
CANADIAN FOREIGN POLICY"

CURRENT ISSUES IN CANADIAN FOREIGN POLICY

We face a complex and challenging agenda in the management of Canada's foreign relations. The world seems to be going through a period of rapid political and economic change with profound implications for all of us. I will briefly set forth some foreign policy issues that engaged the efforts of my Department and others during 1978 and which will test our talents and resources during the coming year.

1. The Search for Peace

(a) Vietnam, Cambodia and China

There has been a dangerous deterioration in the situation in Southeast Asia during the past year. The increasing resort to armed force is a cause of serious concern. We first witnessed the invasion of Cambodia by Vietnam, and the toppling of the Pol Pot Government in Phnom Penh. Whatever may be thought about that government's human rights policies -- and I have condemned them -- Vietnam's use of force to change the government in Cambodia and to establish control over it was unacceptable. This action seriously destabilized the region.

We regret that the position of the Soviet Union prevented the Security Council from coming to grips with this situation, which was aggravated in late February when China's military forces entered the northern part of Vietnam. This action led to a further increase in political and military tension. We made high-level démarches in the capitals concerned and actively supported efforts towards a political solution in the Security Council or elsewhere. It is encouraging that the Chinese have now announced their intention to withdraw from Vietnam, but we must not underestimate the problems remaining to be settled between China and Vietnam when military activities have been terminated. The ultimate aim must be the achievement of reconciliation and peace throughout the area.

(b) Southern Africa

Canada has taken a leading role in concert with other major Western countries in pursuing peaceful solutions to the racial and decolonization problems of southern Africa. The Secretary General has now proposed the implementation phase of a Western-authored plan which was endorsed by the Security Council to bring Namibia to independence. The plan involves the establishment of a military and civilian peacekeeping group to supervise elections. Active discussions on how to implement the plan are taking place. Canada is also prepared to lend whatever support may be appropriate to continuing, but so far disappointing,

efforts to resolve the longstanding Rhodesia issue. As for South Africa, the Government continues to keep its policies under review, in particular those affecting commercial relations. We are especially hopeful that Canada's opposition to apartheid and its support for racial equality can be underlined in practical terms through growing realization of the objectives of the Code of Conduct issued last April on employment practices for Canadian companies operating in South Africa.

(c) The Middle East

Canada strongly supports all positive efforts towards reconciliation and lasting peace in the Middle East. We have welcomed the Camp David Accords and the negotiating process resulting from them, and we have encouraged Israel's Arab neighbours to join this process. We have cautioned against disillusionment because an Israeli-Egyptian treaty was not signed within three months. After so many years of hostility it is not surprising that the resolution of differences should prove difficult. As President Carter visits the Middle East in the pursuit of peace, I applaud his statesmanship and that of the leaders of Egypt and Israel.

Recent events in Iran have had a serious destabilizing effect on the region. Canada's concern has been to protect its citizens and to seek to develop effective working relations with the new government which Canada recognized on February 16.

(d) Peacekeeping and Peacemaking

Against the background of the frequently recurring resort to force in the world, we continue to promote the achievement of peaceful solutions through the United Nations. Canada remains the major troop contributor to on-going peacekeeping operations. The situation in each of the peacekeeping operational areas was relatively quiet in 1978, with the spasmodic exception of Lebanon in which Canadian forces were for a time engaged. Canada's experience on the Security Council in 1977 and 1978 convinced us that the Security Council and the General Assembly need to become more actively involved in promoting solutions and solving the political problems underlying various conflicts. Our membership in the Group of Five dealing with Namibia and the joint Canada-USA-UK initiative of late 1978 designed to facilitate the resumption of intercommunal negotiations in Cyprus are imaginative examples of how Canada is attempting to encourage the UN to move in this direction. In Cyprus,

for example, the UN Secretary General is building on the tripartite initiative in an effort to get negotiations under way. In visits to Greece, Turkey and Cyprus I discussed the dimensions of the problem and the prospects for a solution.

2. Canadian Unity and Identity

My Department has developed an increasingly sensitive policy balance aimed at reflecting the interests and concerns of English and French speaking Canadians and of the ten provincial governments in the context of a coherent foreign policy. I would highlight our active and meaningful participation in la Francophonie and the Commonwealth; and I recall with pleasure the highly successful Games in Edmonton last summer. While the Canadian Government is determined to continue to express fully the national interest on the international plane, we have developed many cooperative means of involving and supporting provincial authorities in the international arena. With a view to aggregating the national interest, we have made special efforts to consult the provinces concerned regarding the positions adopted by Canada in the Multilateral Trade Negotiations and in maritime boundaries and fisheries negotiations with the United States.

There has been continuing recognition in the Department's activities of the contributions of Canadians of many different cultural origins. Through our public affairs programme, and in other ways, the international community is being made increasingly aware of Canada as a vibrant, outward looking and democratic society, capable of resolving positively its internal problems. Foreign countries for their part value highly the constructive role that a united Canada has played and can continue to play on the international scene.

3. International Economic Relations

The past year saw a strengthening of consultative arrangements among the industrialized countries and underlined the important linkages that exist between domestic and international economic problems. Canada played its full part in addressing common problems of growth, inflation, unemployment and monetary instability; we did this in the OECD and the IMF, and particularly through our membership in the seven member economic summit group. The results of the OECD ministerial meeting in June and of the Bonn Summit in July reflected the growing conviction that coordinated action would be beneficial not only to the major industri-

alized nations but to the international community at large. Recent events in Iran will further test the capacity of the international community to manage the global economy -- a challenge we can meet more confidently as a result of discussions last week in the International Energy Agency, in which Canada is an active participant.

A successful outcome to the Multilateral Trade Negotiations, which are now in their final phase, should contribute significantly to more open and fair conduct of international trade. Canada's exports stand to benefit directly from the general reduction of tariffs and the removal of non-tariff barriers. Although import competition will naturally increase in some areas, many input costs will decrease; this should contribute to Canada's industrial competitiveness domestically as well as in export markets. The MTN results, however important, will of course be only one factor in the broader adjustment process facing the Canadian economy and the world at large. An important element in this process remains the increasingly complex economic relationship between the developed and developing countries.

4. North-South Challenge

Canada remains committed to the North-South Dialogue and, despite the economic difficulties which we share with other industrialized countries, a substantial development assistance programme. We carry on our dialogue with the Third World in many ways: at the United Nations, through bilateral contacts, ad hoc groupings, or by means of contacts in the Commonwealth and la Francophonie. An indication of our commitment was the participation by the Prime Minister in the Manley Summit in Jamaica, which provided an informal opportunity for discussion of major North-South issues by a small group of government leaders. Considerable attention was devoted to improving the atmosphere of the North-South Dialogue by avoiding rhetorical confrontations and fixed bloc positions, and to the desirability of giving priority to those issues where progress can realistically be achieved. We are hopeful that the lengthy and complex negotiations on the Common Fund and the Code of Conduct on the Transfer of Technology can be concluded fairly soon. The next phase of the North-South Dialogue will take place at UNCTAD V in Manila in May 1979. Planning is well under way for active Canadian participation in this meeting, which will encompass virtually all aspects of the economic relationship between the developed and developing countries.

5. Support for International Development

Canada is committed to an active, effective and humane programme of development cooperation with the disadvantaged countries and peoples of the world. Despite the imperatives of the Government's expenditure reduction programme, the Canadian International Development Agency expects to spend approximately one billion dollars for Canada's aid programme in 1979-80, an increase of approximately \$100 million compared with CIDA's forecast expenditures for 1978-1979. While this rate of growth is less than originally planned, CIDA's global programme has not been cut and its expenditures will increase in the coming year. In addition, continued attention is being paid to ways and means of sharpening the focus and improving the quality and management of Canada's development assistance programme.

6. East-West Relations, Security, Arms Control and Disarmament

(a) East-West Relations

While the relaxation of tensions in Europe is still regarded as a desirable goal by both East and West and the situation in Europe remains stable, conflicts in other areas over the last couple of years have had an impact on détente. The questions raised by continuing Soviet/Cuban involvement in Africa, and the armed conflict between communist states in South East Asia, linked with heightened Sino-Soviet stress, have put détente in the global sense to the test. Against this background it seems more important than ever for Canada and other Western countries to work in ways which will prevent the erosion of confidence and in effect reaffirm the value of détente. It is in this spirit that Canada has pursued relations of mutual advantage with the Soviet Union and the countries of Eastern Europe. Likewise we are actively preparing for the next CSCE review meeting in Madrid. We believe that the successful conclusion of a SALT II agreement has a major contribution to make to a more confident East-West relationship and that it will help to move the MBFR Talks in Vienna off dead centre. At the same time we welcome China's decision to end its self-imposed isolation and the emphasis it intends to place on the modernization of its economy over the next two decades. Building on Government efforts since 1970 to establish a framework of contacts and understanding essential for cooperation with China in the commercial field, Canada moved quickly in 1978 to take advantage of new opportunities presented by China's opening to the West. We see no reason

why the development of relations between China and the West should take place at the expense of relations with other states or of our commitment to a policy of détente.

(b) Security

In May 1978 at the Washington Summit the NATO Governments were able, in the light of a fresh study of trends in East-West relations, to endorse a general long-term programme designed to improve the deterrence and defence posture of NATO during the 1980's. Canada has demonstrated its continued commitment to the Alliance, in spite of restraints in Government spending, by participating in collective defence undertakings and by maintaining programmes of capital expenditure to acquire new equipment for the Canadian Forces including those assigned to NATO roles. For example, in 1978 Canada joined with other NATO partners in the agreement to acquire and operate the Airborne Early Warning and Control System. The current five-year term of the North American Air Defence Command (NORAD) Agreement expires in May 1980. Discussions regarding renewal will take place shortly.

(c) Arms Control and Disarmament

The Prime Minister, speaking to the UN Special Session on Disarmament, outlined a "strategy of suffocation" of the nuclear arms race. We anticipate some progress with the four elements of such a strategy; specifically with the comprehensive test ban and the ban on the production of fissionable material for weapons purposes (the two others were a ban on flight-testing of all new strategic delivery vehicles and an agreement to limit and then progressively to reduce military spending on new strategic nuclear weapons systems). As the result of a Canadian initiative at the last General Assembly we expect the new Committee on Disarmament to discuss at the appropriate time the fissionable material production ban. 1979 will be a critical year for the future of strategic arms control between the United States and the Soviet Union. Although Canada does not participate in SALT, we, and our NATO allies, have been kept closely informed about these talks by the United States through consultation in the North Atlantic Council. If, as we very much hope will be the case, SALT II is successfully concluded and ratified this year, it will be an important step forward in the task of restraining the strategic nuclear confrontation and of developing a more stable basis for maintaining peace and security.

In the area of nuclear proliferation, the work of the International Nuclear Fuel Cycle Evaluation (INFCE), in which Canada has been playing an active part, has been proceeding well and appears on schedule for completion in February 1980. The results of this comprehensive two-year study will have important implications for international efforts to establish a nuclear safeguards régime capable of adapting to new technologies. The study results will be available for the Non-proliferation Treaty Review Conference in 1980, preparations for which will begin in April next. Bilaterally we were pleased to negotiate an agreement with Japan last year which fully meets our non-proliferation requirements. And the interim arrangement concluded with the European Community augurs well for the negotiations towards a comprehensive agreement which will likely begin early in 1980. I am happy to see that these arrangements with the European Community and Japan are working well and that they have made a positive contribution to the cause of cooperation in the nuclear field as a whole.

7. Energy Supply and Security

Recent events have shown the wisdom of Canada's policy of seeking greater energy self-reliance. Disruption of oil exports from Iran resulted in a net shortfall to world crude oil markets of the order of 2 million barrels per day. Shortfalls for Canada have been largely offset by swap arrangements, based on higher than normal Canadian production, with the USA. Nevertheless, continuing uncertainties about Iranian and other Middle East oil supplies, as well as strong upward pressures on prices, led Canada together with other members of the International Energy Agency (IEA) to decide on March 2 to undertake corrective action to deal with the prospective global crude oil shortfall of 2 million barrels in 1979. The twenty member countries have agreed to reduce their demands on world oil markets by such an amount, equal to about 5% of their own expected consumption, through increased internal production, conversion to other fuels and by conservation. This will not only ease their own situations but will help the rest of the world, including developing countries, to meet their supply problems. This IEA decision should also contribute to the easing of pressures on international oil prices.

For the foreseeable future Canada will need, both on its own and in cooperation with others, to make every effort to increase energy security by a range of measures, including careful management of our domestic energy resources, diversification of energy imports and active encouragement of efficient energy use in Canada. The

Government is actively pursuing bilateral oil supply arrangements with other countries, such as Mexico and Venezuela, which would enhance our longer term energy security through diversity of supply. Petro-Canada would be expected to play an important intermediary role in implementing such arrangements.

8. The Human Dimension

Canada is deeply engaged in the quest for human rights around the world. We reject the argument that human rights are a purely domestic matter. All states, through their adherence to the Charter of the United Nations, have undertaken an obligation to protect and promote the fundamental rights of all persons within their borders. When this international obligation is not fulfilled, other states, including Canada, must concern themselves. During the past year we made bilateral representations to a number of governments over reports of human rights violations. The Canadian delegation to the UN Commission on Human Rights (of which a Canadian, Yvon Beaulne, is currently session chairman) is actively pursuing several human rights initiatives, and in particular one on disappeared persons. Canada is urging action in the Commission on situations of gross abuses of human rights wherever they occur.

The increase in the global refugee problem is of concern to Canada. We are strongly supporting the humanitarian efforts of the UNHCR to obtain an adequate international response to the plight of refugees throughout the world. On the political level, Canada is seeking to focus attention on the interrelationship between refugee outflows and human rights violations within the countries concerned.

Progress in the area of family reunification during 1978 was steady. Canada continues to make representations to the USSR and the countries of Eastern Europe regarding relatives of Canadian citizens who wish to be re-united with their families in Canada. Canada will seek to sustain this momentum in the period before the next CSCE meeting in Madrid in 1980. Family re-unification is also a feature of our relations with China and Vietnam.

I must also mention that we are especially concerned for the protection and well being of our own citizens abroad. Over half a million instances of consular service were provided last year, ranging from routine assistance to emergency evacuation of Canadians from Iran.

9. Preserving Canada's Ocean Interests

An early and successful conclusion to the Law of the Sea Conference is in Canada's vital interests from a national standpoint and in terms of global peace and economic development. Its record of achievement in restructuring traditional principles of Law of the Sea and in developing new concepts of ocean resource management is remarkable. For Canada, the Conference has already provided multilateral endorsement of the 200 mile fishing zone and the 12 mile territorial sea and contributed to increased international acceptance of the need for enhanced coastal state jurisdiction over pollution from ships. The renaissance of the fishing industry in the maritime provinces is dramatic evidence of its positive impact upon Canada. We should not, however, underestimate the difficulties of resolving outstanding Conference issues, particularly concerning the international system for deep seabed mining, which has obvious significance for Canada, the world's largest producer of nickel.

High level fisheries negotiations during 1978 led to the signing of a bilateral fisheries agreement with Japan, a convention on Future Multilateral Cooperation in the North-West Atlantic Fisheries and a Protocol modifying the International Convention for the High Seas Fisheries of the North Pacific Ocean. Ad referendum agreement was reached with the EEC on the text of a bilateral fisheries agreement. With France new interim arrangements for 1979 were agreed relating to fishing in the area of St. Pierre and Miquelon; maritime boundary talks with France continue.

Canada/USA negotiations on maritime boundaries and fisheries resulted in agreement on a new regime for cooperative management of the Atlantic fisheries and on a formula for final resolution of the Gulf of Maine boundary dispute through binding third party settlement.

10. Canada/U.S.A. Cooperation

The management of Canada's relations with the United States is our highest bilateral priority and presents a continuing challenge. Notwithstanding the variety and complexity of the bilateral agenda, our relations with our nearest and most important neighbour have seldom been better. Canada's rapport with the Carter Administration reflects a special blend of common sense, informality and mutual regard. Achievements in 1978 were impressive: the new Great Lakes Water Quality Agreement and discussions on transboundary air pollution; cooperation on the Northern Gas

Pipeline, major bilateral studies on a strategic petroleum reserve and bulk electricity exchanges; agreement by special negotiators on the management of east coast fisheries; record levels of bilateral trade. We look forward in 1979 to enhanced energy coordination, an improved trading environment following conclusion of the Multilateral Trade Negotiations, progress towards resolution of the remaining boundary disputes in the Pacific and Arctic Oceans and conclusion of a west coast fisheries agreement. Close consultations on international matters will be certain to continue on such subjects as Namibia, the Middle East and Cyprus; human rights and refugees; nuclear non-proliferation and disarmament.

11. Bridges to Western Europe and Japan

In 1978 we pursued further our efforts to give substance to Canada's economic relations with the European Community and the key countries of Western Europe. The visit of Mr. Roy Jenkins, President of the European Commission, provided a good opportunity to assess the industrial cooperation activities undertaken under the Framework Agreement and to provide guidance and direction to future work. The Government reiterated its support for the economic and political integration of Europe while underlining the importance of having Canada's basic interests taken fully into account by the EC Nine. We have worked to give economic stimulus to our bilateral relationships with the FRG and France in particular, but also with Italy. The Prime Minister's visits to several European countries, and the visit to Canada of Prime Minister Barre of France, reflected Canada's determination to strengthen its relations with Europe. We are particularly determined to achieve a level of economic exchanges commensurate with the importance of the Canadian and European economies and with the quality of our political dialogue.

Our efforts last year to expand and diversify economic and political relations with Japan resulted in agreements on upgraded nuclear safeguards and fisheries as well as in a gratifying increase of contacts at the political level. Canada's economic relations with Japan grew further during 1978 and the Second Meeting of the Joint Economic Committee next week in Tokyo should help to maintain the momentum. The 50th Anniversary this year of the establishment of diplomatic relations between Canada and Japan will be an occasion for increased political and cultural contacts and activity.

12. Strengthening Foreign Policy Management

Various federal departments, all provincial governments and the private sector have international dealings and concerns that must be drawn together if Canada is to maintain an active and coherent foreign policy. The need for high quality foreign policy management is perhaps greater today than at any time in our history. Consequently, we have taken steps to strengthen External Affairs' role as the central agency of Government responsible for the management of Canada's foreign relations. Senior inter-departmental committees responsible for the coordination of Canadian foreign policy and operations have been created or renewed. We have reaffirmed the authority of Heads of Post over all programmes at their missions abroad and clarified their lines of accountability. The extent, level and location of our representation in several key countries is under active study. Departmental personnel policies now promote the development of the maximum degree of specialization consistent with the need for flexibility in the deployment of foreign service personnel. We are giving particular attention to ensuring that Canada's bilingual nature is fully reflected in our operations at home and abroad. While national and international demands upon us grow, resources are severely constrained. Nevertheless, I am resolved to ensure that Canadian diplomacy is capable of meeting future international challenges.

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This statement is not an exhaustive account of what Canada has been endeavouring to do in the realm of foreign affairs. It will serve, however, to underline the two main dimensions of foreign policy. First, we must continue to seek to advance Canadian interests and respond to Canadian concerns by pursuing a range of significant bilateral relationships and keeping them in good repair. Second, the welfare of Canadians will depend increasingly on finding solutions through international cooperation to global problems; this means that a congenial global order must rank high in our endeavours. It is with these considerations in mind that we will continue to conduct Canada's foreign policy.