

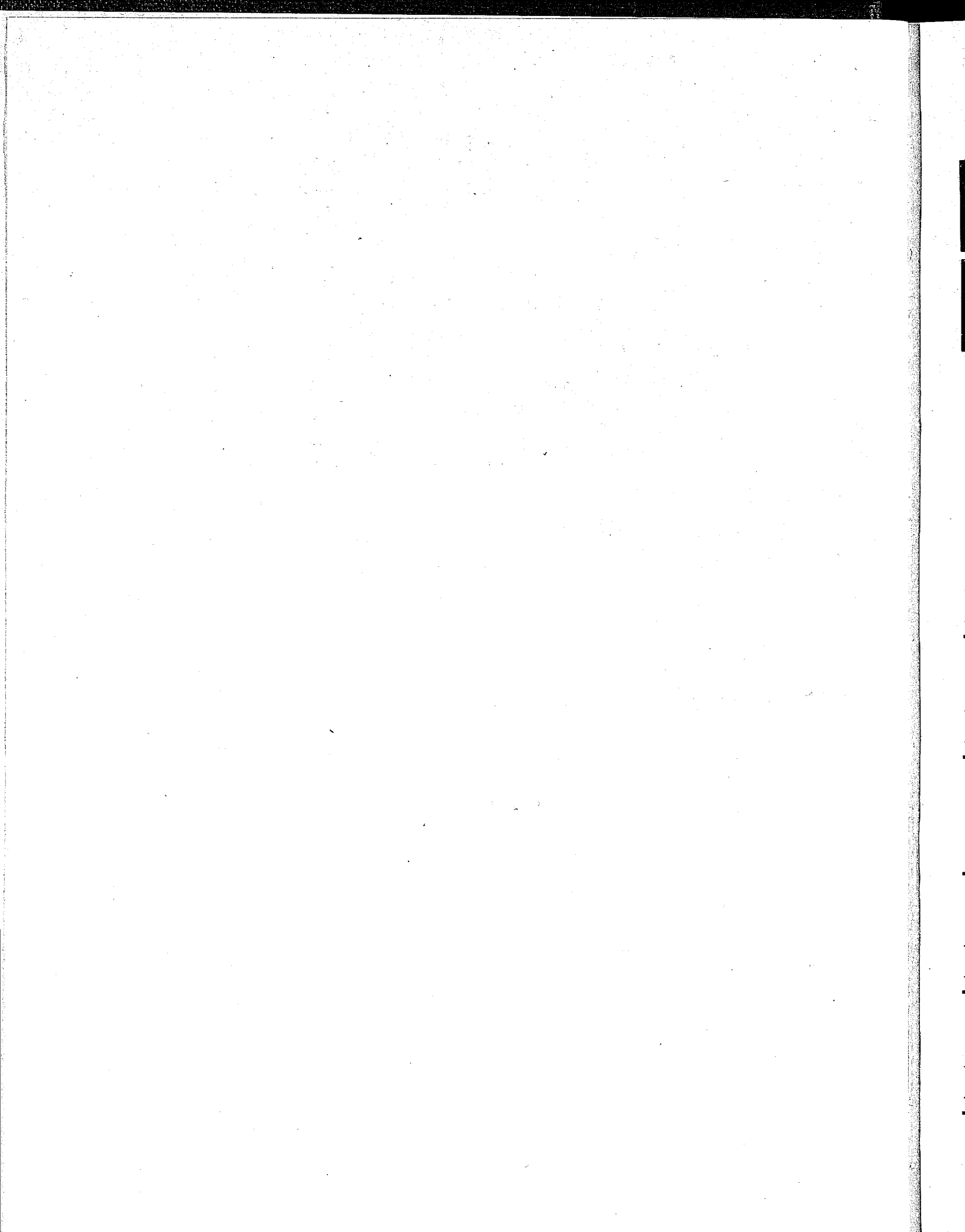
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The Canadian journal on world affairs

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Nigeria strives

Pacific investment

International Perspectives

January/February 1987

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Editor's Note:

Last issue we concluded the three-part series of articles on the making of Canadian foreign policy, and how that process, as well as its academic study, has been influenced by the "realism" of the superpower to the south. That was a lot of space for a particular thesis, and it stimulated some response. Our lead article — itself double-length — presents a different view of how we made and make up our minds. John Kirton of the University of Toronto demonstrates the independence and Canadian nationality of foreign policymaking in this country in an essay of conviction and eloquence.

Other articles nudge Canadians to do what they do well better. Stuart Smith of the Science Council of Canada sees tough days ahead for our internationally-traded minerals if our industry does not become more engaged in research into new uses and materials.

Canada is grudgingly acknowledging its existence as a Pacific country. That includes not only grasping trade opportunities, but also careful examination of investment and investment flows in the whole Pacific Rim. There are intimate connections, as Christopher Maule of Carleton points out, between trade and investment.

Lorne Green of the Defence Department iterates some home truths about security, and how arms control must not be allowed to become detached from military defence in the search for security.

For nearly a dozen years the world has been trying to get the most out of what happened at Helsinki. We call what is left "accord," "process," "spirit." Whatever the appellation, it was an important event in world history, and in relations between the superpowers. David Pepper, who participated in a bit of the process, evaluates its importance.

Nigeria is the most populous and perhaps the richest African nation. It might even be one of the most stable, but that is not apparent from the manner and frequency with which its leaders have changed. Mohammed Adam, an African student at Carleton University, sees hope in the current situation.

Next issue of *International Perspectives* — a major article by James Eayrs of Dalhousie University on his concept of statehood in the modern world.

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Realism and reality in Canadian foreign policy

by John Kirton

Laments about Canada's intellectual dependence on the United States for foreign policy guidance are a venerable tradition in Canada. For at least a quarter of a century, Canadians unhappy with their government's conduct of international affairs have found it easy to lay the blame on alien American ideas imported into Canada by Americanized scholars and infiltrated through them into a compliant Canadian officialdom ready to support US purposes in the world. As an analysis of the making of Canadian foreign policy, such complaints may have had some merit during the early 1960s when US power and prestige were at their most expansive. As a description of Canada's views on those few countries where Ottawa has given itself no choice but to rely on American surveillance satellites, American resident diplomats, American intelligence agents, and American foreign language and area specialists, these criticisms retain some relevance today. But as a characterization of the central enduring ideas and influences behind Canadian foreign policy as a whole, this critique misses the mark. Those Canadian international relations scholars professionally focused on their country's relationship with the world have overwhelmingly obtained their intellectual inspirations from traditions antithetical to the dominant American worldview based on academic theories of "realism" and "neo-realism." In their relationship with Canadian foreign policy practitioners, these Canadian scholars have been as much learners as teachers, in a collegial effort to realize a distinctive vision of the world. And what these scholars and practitioners have created together is a set of images, concepts, precepts and aspirations bred autonomously and authentically by a history that has affirmed the irrelevance of standard US realism to the reality of the Canadian experience in the world.

1. SCHOLARLY CONCEPTS

Canadian foreign policy scholars could, of course, have very easily become good realists of the standard American sort, for they began their sustained study of Canada's role in the world at precisely the moment when realism rose to preeminence in the United States. Inspired by the intellectual passions of continental European newcomers to America, and embedded in the institutions of the new US national security state of the late 1940s, standard American realism presented a world of anarchy, dominated by independent sovereign states pursuing national self-interests by maximizing power and capability in a condition of perpetual competition and recurrent conflict. Realism prescribed the obligation to prevent war through a

reliance on armed strength, alliances, the balance of power and nuclear deterrence. And by logical neorealist extension, it counselled building international law and organization on the basis of the leadership of a dominant power, in the interests of maintaining a limited order in a war-prone world.

To European emigrés with long memories of Stalin, Hitler and the Kaiser, and to Americans suddenly discovering the perils of the outside world, this version of reality made some sense. But to scholars of Canadian foreign policy it did not. Their intellectual menu had been established before the Second World War when the first comprehensive, analytical and policy-relevant monograph on their subject appeared. R.A. Mackay's and E.B. Rogers's *Canada Looks Abroad* offered a genuine choice among the three alternatives that have dominated Canadian foreign policy scholarship ever since. These grand alternatives, synthesized from a vibrant public debate as the Second World War approached, were: a) a policy of support for the League of Nations; b) a North American-front policy of close association with the United States in continental isolation; and c) a British-front policy of supporting the United Kingdom in maintaining the global balance of power.

"Liberal-internationalism"

It was the League of Nations option, flourishing a full-blown liberal-internationalism, that ultimately won the debate and dominated the intellectual dialogue during the two decades after 1940. What Canadian liberal-internationalism described and prescribed at its conceptual core was, in Michael Tucker's textbook codification: a) "an exercise in collaboration on the part of Canadian governments, groups or individuals with likeminded governments or peoples elsewhere," directed at "the enhancement of interests or values commonly shared with others outside Canada," aimed at "helping create or sustain a better world order," and grounded in Canada's "non-military tradition; b) acquiescent nationalism; and c) fondness for legalistic and diplomatic solutions." Moreover, the original internationalist definition of Canada as a "Britannic" power of medium rank connoted Canada's identity as part of a Commonwealth of likeminded nations within which its closest partnerships were with India and other Third World

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states. The seminal doctrine of functional representation took as a goal and a given the existence of strong, comprehensive international organizations, which should have maximum effectiveness in meeting global human needs such as hunger and housing and which should not be tightly hierarchically organized into a pyramid with the great powers alone at the top. And the subsequent internationalist tradition of mediatory middle powermanship aimed above all at assisting European great and middle powers to complete the historical process of de-colonialization without widespread war.

There was, of course, a genuine danger that as the world changed, and a new American hegemony emerged, liberal-internationalism, with its benign concepts of commonality, consensus and compromise, and its lust for keeping international organizations functioning (and the Americans functioning within them) could become an intellectual justification for US dominance and Canadian acquiescence. Yet this danger was clearly identified by the early 1960s by Canadian scholars who feared that liberal-internationalist dogmas were primarily a soothing bromide for a Canada that was rapidly becoming a satellite of the United States. Thus was born the great "middlepower or satellite" debate that structures inquiry in the field of Canadian foreign policy to this day.

In order to help declare a winner, some scholars had by the 1970s begun to import the behavioral-quantitative revolution in American political science. With these disciplined empirical studies came the realist questions about foreign policy capabilities, objectives and patterns of international alignment. But while these questions may have been realist in inspiration, the answers were liberating in effect. For here came evidence that Canada had greater capability than traditionally assumed, objectives that were ambitious, distinctively Canadian, and divergent from American priorities in the world, and an association with the States that was open to considerable change.

Canadian "neo-realism"

Equally expansive in its effects on scholarly thinking about Canadian foreign policy was the Canadian complex neo-realist revolution that began with a 1975 article by James Eayrs on "Canada's Emergence as a Foremost Power" (*International Perspectives*, May/June 1975). This vision of Canada emphasized the greater freedom and new opportunities Canada had in an increasingly non-American world. In many ways it was precisely the opposite response of that which neo-realist scholars of US foreign policy were providing. For in Canada there was almost no one to argue that declining US hegemony meant Canada should, in the interest of stability and order, become more closely supportive of the fast-fading but only hegemony still left.

2. SCHOLARS AND POLICYMAKERS

To what extent did these debates within the academy affect the premises and practices of those who actually produced Canadian foreign policy? The answers, like the influence relationships between scholars and policymakers, are subtle, complex and difficult to trace. They are even more elusive because, with rare exceptions,

there has been a harmonious relationship and easy interchange between the two groups, reflecting a basic underlying consensus about what Canadian foreign policy, and the world, should be. But to the extent that this integrated Canadian foreign policy community of intellectuals can be divided into the separate compartments of "town" and "gown," it has been the practising intellectuals in Ottawa, from Hume Wrong and Escott Reid through Lester Pearson and John Holmes to Klaus Goldschlag and Allan Gotlieb, who have been as much the teachers in the relationship as have the reflective individuals in the ivory towers across the land.

This intellectual partnership between scholars and policymakers was forged before the Second World War, when Professor Skelton's boys followed him into External Affairs to create the "University of the East Block." It intensified during the war when prominent professors went into External Affairs for the duration and in some cases stayed beyond. During the subsequent decade it was the External Affairs practitioners, led by Louis St. Laurent and Lester Pearson, who took the lead in educating Canadian journalists, and through them Canadian academics and publics, about the virtues of an internationalist foreign policy. The 1960s saw External's veterans of the golden age of Canadian diplomacy leave the Department for positions in the rapidly expanding Canadian university system, there to impart the wisdom of traditional liberal-internationalism to the first generation of Canadian-educated professors of Canadian foreign policy. The decade also saw the great academic revolt for a more "independent" foreign policy, and the successful government response in the public foreign policy review and revision of the 1968-1970 period.

Citizen experts

During the past decade-and-a-half, the personal relationships of the past have been superseded by a variety of institutionalized mechanisms. But the policymakers still appear to have the upper hand. It is they who decide how many, if any, of the professors' intellectual progeny to induct as new foreign service officers, and what conceptual inventory these aspirants require to gain entry to the ranks. It is they who decide which professors to bring into the Department for a year or so, which to reward with consulting contracts and which to expose to public affairs audiences abroad. The academics can and do respond by feeding practitioners with policy commentary through media whose potent broadcast element is mandated by law to maximize Canadian content and driven by professional norms to give equal time to those critical of current government conduct. But apart from distant wars, the existing evidence suggests that those who make and maintain Canadian foreign policy receive their intellectual stimulus from a wide variety of sources, in which neither the media nor the academics have particular pride of place. And on the all-too-close subject of Canada-US relations, the twenty-five million Canadians with first hand experience of Americans, rather than the handful of the guest commentators on *The Journal* or *Canada AM*, are the experts who really count.

There are, of course, times when academics operating through the media can make a discernable difference. But rarely is the result a more realist or pro-American path. For

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Simon Alves

example, during the Mulroney government academics and media have helped the government transcend the initial cold war simplicities and pro-American sentiments displayed in *Competitiveness and Security*, helped Canada become one of the few major countries to renounce government-to-government participation in the US Strategic Defence Initiative, inspired Canadians to rebel against the presence of an American Coast Guard icebreaker in Canada's Arctic waters, and sustained the government's desire to be in the vanguard of the struggle against institutionalized racism in South Africa. It is enough to make the real realists in the White House grit their teeth in disgust.

Four key professors in government

Perhaps the essential character of the scholars' contribution to the prevailing premises of Canadian foreign policy practice can best be assessed by focusing on the contribution of the four professors (apart from Professors Pearson and Trudeau themselves) who served long enough, in sufficiently lofty positions in government, to make a discernable difference to the concepts and conduct of Canadian foreign policy. Of the four — Professors Skelton, Watkins, Head and Hockin — none was a realist, either before or during his government service. The most American of the group in background, worldview and policy prescription — O.D. Skelton — served as Undersecretary of State for External Affairs in the 1930s when North American "exceptionalism," with its firm roots in Wilsonian idealism and Rooseveltian isolationism, were the domi-

nant doctrines on the continent. Mel Watkins, an economist who helped develop the field of Canadian political economy, became a leading nationalist intellectual for a brief period in the late 1960s and headed a government task force which worried about US direct foreign investment in Canada. Ivan Head, who spent seventeen years at Pierre Trudeau's side, used his substantial influence to expound positions that were certainly different from, and often directly opposed to, US foreign policies in the world. And most recently Tom Hockin, who co-authored the parliamentary foreign policy review, *Independence and Internationalism*, has as his major contribution the anti-realist concepts, of the federalist style and voluntarist tradition in Canadian foreign policy, and the management of a mechanism whereby a novice Prime Minister could acquaint himself with the deeply embedded views of the Canadian public on their relationship with the outside world.

It is noteworthy that, in practice, all four of these professors-in-government were ultimately more the creatures than the conceptual creators or even the consciences of the politicians they served. It was Mackenzie King who brought Skelton to Ottawa because he liked the way the professor articulated King's own views. It was Walter Gordon who began the nationalist revolution in 1956 and hired Mel Watkins a decade later, to lend intellectual ballast to the nationalist cause. It was Pierre Trudeau who took Ivan Head into the PMO, allowed him to assume a steadily increasing foreign policy dossier, and used him to articulate for anglophones the sentiments the Prime Minister shared

Simon Alves



No room at the table

Deciding for ourselves

but was too engaged elsewhere to expound. And it was Brian Mulroney and Joe Clark, two very progressive conservatives and very direct descendants of the populist John Diefenbaker, who chose Tom Hockin from a multitude of all-too-conservative aspirants to help the government discover and articulate the national mood.

3. POLICYMAKERS' PARADIGMS

What then did these Prime Ministers and those who elected them believe? With rare exceptions it has been something far removed from a worldview based on the realist necessity of a close alignment with the United States. Indeed, during the past four decades these Prime Ministers took a willing country into periods of profound confrontation with the United States on at least two occasions (1962-63 and 1971-74) and through intervals of serious divergence on several others (1980-84, 1968-71, and 1965-68). During the postwar decades the intellectual foundation and resulting shape of Canadian foreign policy has been autonomously set on four major occasions: the "internationalist" revolution of 1947; the "anti-nuclear" revolution of 1963; the "globalist" revolution of 1970; and the embryonic "new internationalist" revolution of 1985. These four revolutions may represent, from a neo-realist perspective, the distinctive Canadian responses to US hegemony as the latter passed through four of its critical transitions. Yet the Canadian responses well reflect just how un-American and unrealistic the Canadian view of the world has been.

The internationalist revolution, begun in 1943, was won on the evening of January 7, 1948, when Prime Minister King averted the resignation of his foreign minister Louis St. Laurent, by allowing Canada to fulfill its commitment to serve on the United Nations Temporary Commission on Korea. King saw the Commission and Canada's membership on it as a US plot to mobilize the UN and Canada in support of American neo-isolationist and anti-communist national security purposes. St. Laurent saw it as the fulfillment of a responsibility for active participation by a committed creator of the new United Nations. Both King and St. Laurent ultimately won. Canada took up its membership, but with a successful scheme for getting off, as soon as possible, a body that was, in fact, a classic example of what John Holmes called "Americanism masquerading as internationalism."

The anti-nuclear revolution of 1963 was the culmination of John Diefenbaker's efforts to separate Canada from the expansive national security system of an ascendant United States. Begun with his cancellation of the Avro Arrow in February 1959, and his distancing of Canada from American positions in the Cuban missile crisis of October 1962, this revolution saw John Diefenbaker go down to electoral defeat in an attempt to maintain a nuclear-free Canada.

Trudeau's policy

It was left to Pierre Trudeau to complete this anti-nuclear revolution and the larger globalist revolution of which it was a part. Immediately upon entering office as Prime Minister in 1968, Trudeau announced a host of initiatives very divergent from the policies of the United States: the diplomatic recognition of the People's Republic of

China; the reduction of Canadian force commitments in the central European theater of NATO; and the creation of the International Development Research Centre. He followed with the Arctic Waters Pollution Prevention Act of 1970, ventures in North-South relations, and a concluding peace initiative. Pierre Trudeau's foreign policy in total was largely directed at affirming the rights of individual citizens of the world against the prerogatives of the sovereign state, the collective rights of deprived communities against the rich, powerful and established, and the centrality of new international institutions and arrangements against the inherited privileges of older structures.

Mulroney and Clark

The most recent and still embryonic revolution in Canadian foreign policy is the new internationalism of Brian Mulroney and Joe Clark. This approach centers on an effort to reconstruct, renew and expand the network of international institutions at a time when the United States is directly assaulting the entire edifice. The most dramatic expression of this impulse came in the great foreign policy offensive in the autumn of 1985 when the government decided to open bilateral trade liberalization negotiations with the United States, to reject government-to-government participation in the United States' Strategic Defence Initiative research program, to declare full sovereignty over the waters of Canada's Arctic archipelago, to lead the Commonwealth against apartheid in South Africa, and to produce a head-of-governments forum for La Francophonie. The only realist decision in this program — the declaration of full sovereignty over the Arctic waters — flew in the face of important US national security interests. The freer trade decision, whatever its merits, lies largely outside of the domain of standard American realist and even neo-realist discourse. The SDI decision was premised on a limited role for the state and a large role for the private sector and reflected the very non-realist influence of domestic public opinion. And the South African, Commonwealth and La Francophonie decisions were about issues, institutions and ideas where both Americans and realists are largely absent.

4. POLITICAL CULTURE

Why have realist premises and practices been so absent from the central initiatives and ideological foundations of Canadian foreign policy during the post-World War Two decades? The answer lies in the essential irrelevance of realism as a description or explanation of Canada's place in the world. Indeed realists and Canadians represent for each other the ultimate irrationality. For the conceptual requirements of the theory are defied by the historic experience of the country. As one of the most territorially expansionist, richest, and most stable and secure countries in the modern international system, Canada is the realist's archetypical success story. Yet realists' views of how the world works offer no explanation of how this striking achievement came about. For Canada, using virtually none of the realist repertoire, managed to secure this success in the face of all the classic realist obstacles. These obstacles include an intense competition with a vastly more powerful rival, a geopolitical position smack between the ascendant states (the superpower rivals of the twentieth century), an

integral involvement from the start in the great global cataclysms of the two world wars, a divided nationality, and a singular exposure to the goods, money, people and ideas of the outside world.

Conversely, Canadians regard as largely irrelevant the core realist concepts of independence, sovereignty, the nation state, military methods of statecraft, conflict and anarchy. To this day most Canadians do not know or even particularly care when their country became fully independent, if indeed it now is. They are dimly aware that Canadian independence was a highly incremental process, with most Canadians usually wanting to slow down the pace to prevent being cut off from the outside world. Similarly, sovereignty for Canadians is something physically embodied in a monarch living abroad, and constitutionally divided at home among eleven governments which seldom seem to agree on who has indivisible, ultimate and stable authority over what. The idea of the nation state makes little sense to a country whose first immigrant community, the Quebecois, have now freely chosen and historically proven the path of maintaining nationhood without a state of their own. It is of similarly low value to a once-dominant British majority which willingly created a bilingual, multi-ethnic constellation of communities living in a deeply interdependent and relatively harmonious coexistence.

Power of legitimacy

In the realm of foreign policy instrumentalities, Canadians have on the whole failed to rely on the relevance of military means. They have seen instead the effectiveness of political legitimacy in securing their ends. In the nuclear

realm, Canada was the first, and for many years the only, nuclear weapons-capable state to renounce the bomb. Partly due to its peculiar cultural composition, Canada has rigorously renounced conscription for all but those few years when global war raged and needed to be ended quickly in victory. During the postwar period Canada has been among the global leaders in reducing the share of national wealth invested in things military. Through low levels of reserve forces Canada has also avoided inculcating an ethic of military values into its political culture.

Such anti-military values are not difficult to explain. For the most severe threats to the country's survival have come not from external predators but from internal dissidents, and have been met by an almost purely political response. Indeed, only a country with a supreme belief in the efficacy of its political legitimacy could respond to the primordial threat of Quebec's separation with a referendum, and one in which only citizens in the home province of the dissidents were allowed to vote, and in which the question to be voted upon was defined exclusively by the dissidents themselves. Through their central role in international peacekeeping, Canadians have also effectively exported this formula of low military force, backed by high political legitimacy, abroad.

Internationalism

These peculiarities of Canada's behavior as a country are often attributed, in orthodox neo-realist fashion, to the luxuries available to a country snuggled under the protective embrace of the powerful United States, and basking warmly in the friendly Anglo-American international

COMPETING INTERNATIONAL RELATIONS PARADIGMS

Theoretical Issues	Realist Concept	Canadian Reality
	A. Actors	
Separateness	Independence	Autonomous attachment
Cohesiveness	Sovereignty	Divided authority
Unit character	National state	Multicultural federation
	B. Actions	
Motives	National self-interest	Shared values
Priorities	Power and capability	Functional capacities
Dominant instrument	Armed strength	Political legitimacy
Associative mechanisms	Temporary alliances	Permanent institutions
Primary strategy	Deterrence and balance	System stability
	C. System	
Natural condition	Anarchy	Community
Unit relations	Competition	Collaboration
Level of violence	Conflict	Peace
Major emphasis	Limiting war	Redistribution
Management mechanism	Hegemonic leadership	Functional governance

Deciding for ourselves

order. Such a view, however, misrepresents both the historic experience and the passionate attachment of Canadians to a much broader set of international institutions and indeed to the global community which these institutions govern. It was not by accident that Canada has become the most well-connected country in the world. The enduring lust with which Canadians create and attach themselves to international institutions represents an instinct far more primordial than the enlightened but self-interested recognition that a stable network of international organizations, law and diplomacy is the most efficient way for a middle power to operate in a civilized society of states, and to secure legal and operational parity with more powerful countries. In its experience in the joint institutions of Canada and the United States, this drive reflects something of the North American belief in the ability to create a new form of international politics on the God-given continent so removed from a Europe enslaved in the bloodthirsty minuet of power politics. In its visionary drive to create a North Atlantic Community as something other than a mere military alliance, it reflects the traditional Anglo-American innocence as an approach to world affairs. And in its full flowering within the League and United Nations system, it reflects the fact that both Canada and those great global experiments came of age at the same time, through the same process, and in ways that made the global body integral to the identity of the emerging country.

Imperial legacy

But ultimately, it is Canada's essential, historic character as British North America that endows Canadian political culture with its profound attachment to a larger political community beyond its borders. Canada began its political life in 1763 as part of a single integrated community which embraced not only most of the North American continent, but also that large portion of the globe over which the Queen of Canada had dominion as well. That some British North Americans living to the south chose to separate themselves politically from this community in 1776 did not disturb the identity of Canadians who, led by the Loyalists, placed the highest value on their continuing attachment to the globe-encircling whole. And for the succeeding century-and-a-half these Canadians acted, physically and psychologically, as full participants in the triumphs and tragedies of that indivisible community. The British Empire belonged to British North Americans as much as to any of its other members, even as they exercised their right both to condemn the follies of His/Her Majesty's government which operated in the United Kingdom, and to create the larger community in their own image. It is hardly surprising that a country that could make francophone Catholics from Wilfrid Laurier, through Louis St. Laurent to Pierre Trudeau, feel a full part of the Empire-Commonwealth, would insist, with varying success, on a place for Catholic Ireland, Boer South Africa, Hindu India, Muslim Pakistan and the rich array of Asian, African and Caribbean states beyond. Nor is it really surprising that South Africa — the one government that purposely left the Commonwealth in order to be free to practise racism — should remain for Canadians the antithesis of "good government" and the embodiment of what is really evil in the world.

The great accomplishment of the past quarter-century in Canadian foreign policy has been making the country's francophones full-fledged participants in this task of creating community on a global basis. Prime Minister Trudeau's success in giving francophone countries their fair share of Canada's development assistance disbursements, and Prime Minister Mulroney's initiative in sacrificing simple concepts and symbols of sovereignty at home in order to create an institutionalized heads-of-government forum for La Francophonie are but the most visible, binational manifestations of a deeply rooted Canadian approach to international order.

A shining record

That order has as an integral component a clear redistributive dimension. A country which, in diplomatic parlance and constitutional structure, refuses to recognize as foreign fellow members of the Commonwealth, and which psychologically extends that same sense of attachment to the governments and peoples of La Francophonie, in so doing affirms its common political identity with the majority of the countries, and virtually all of the very poor countries, in the world. A country which now consistently has one of the world's largest international development assistance programs outward, and is one of the largest recipients of immigrants and refugees inward, arguably operates less from a calculation of national self-interest than from a sense of a larger community. And a country which gives so heavily — financially, psychologically and personally — to the United Nations system and the international development institutions is one which has clearly accepted the legitimacy of equalization payments and the desirability of taxation as an investment in good government.

For Canadians, "peace, order and good government" are not mere slogans but defining principles with definite meaning. And abroad as at home, the core meaning is peace through political accommodation, order through redistribution and good government through building the overlapping, non-exclusive network of institutions to exercise functional governance over the local and larger community as an indivisible whole. Such concepts, along with those of Canada as a peaceable kingdom, as a sanctuary for the dispossessed, and as the custodian of the global commons are, of course, as much national myths as they are reigning empirical facts. But it is as national myths embedded in culture, and expressed relentlessly in organizational routines, political rhetoric, political expectations and thus political commitments, that they have enduring and meaningful political effects. Canadian leaders who duck calls for crusades against testing unarmed cruise missiles and against American intervention in Nicaragua, to focus instead on such things as Commonwealth sanctions against South Africa, building La Francophonie, keeping foreign military vessels out of the Arctic, accepting refugees from Sri Lanka and affirming the human rights of minorities in the Soviet Union are not really running away from the big "realist" issues of the day. They are affirming a Canadian reality by concentrating on the core of the Canadian agenda for the world. □

Canadian minerals under seige

by Stuart L. Smith

If Canada occupies a position of prestige in the international community, it certainly is not a factor of the size of our population. It is our position as a storehouse of vital natural resources that has permitted us both to prosper and to enjoy international prestige and influence. Metals have always made up a substantial portion of these valuable resources. Our exports of ores, concentrates and basic shapes have been around \$12 billion in recent times (10-11 percent of all exports). Looked at from a point of view of trade surplus, these categories account for a very substantial portion of any surplus that exists. If our metals exports are seriously threatened, then so too is our international prestige and influence.

Mining is a great Canadian success story and is, to an important extent, responsible for the high standard of living enjoyed by Canadians. To examine the future prospects of this important industry, the Science Council of Canada a few years ago commissioned some research work on the subject. The project studied the impact of new materials technology on the market for metals to the year 1990, since extended to the year 2000. The Report was written by G.A. Jewett of G.A. Jewett Associates Inc. This article draws freely on that research.

Substitute materials arrive

We at the Science Council predicted three or four years ago that recovery from the recession would not necessarily bring with it the familiar concomitant growth in demand for raw materials. The reasons we gave at that time were related to new technology which had emerged following the oil shock and which, in effect, allowed greater efficiency, less waste and better conservation of raw materials. Our exact expression was that the "productivity of resources" had been vastly increased by technology and that, via conservation, recycling and downsizing, one now got more function out of less material. Added to this was the effect of new technology in creating substitute materials. A research agenda for those had been set by Japan following the oil shock. As a result of that, together with advances stimulated by the United States space program, a totally new synthetic materials industry has been brought into flower. If all that were not enough to cause concern, there was also the well-documented problem of competition from other mineral deposits, particularly in countries short of hard currency and therefore ready to produce even at low prices.

In Canada, the Macdonald Commission ignored our submission. But now, in the last few months, the respected

American social scientist Peter Drucker has confirmed that the events we predicted did, in fact, occur during the recovery. He has been able to quantify the effect and has referred (*Foreign Affairs*, Spring 1986) to the phenomenon as an "uncoupling" of economic growth from demand for materials. Such a pattern is of the utmost importance to resource-dependent countries such as Canada or Australia.

On the other hand, even if these trends continue — and no one can be certain — it does not mean that Canadian mining is in a hopeless situation. Far from it. There are many actions already being taken, and others that can be taken, to maintain our country as a leader in the industry and to permit continued substantial economic benefits for Canadians in the field of metals. What will be required are new attitudes, new priorities and new activities; even with those, however, we will not be able to rely on the mining industry to carry so much of Canada's economic load.

Our research indicated that there was no longer a "metals industry" but rather a "materials industry." The substitutability of metals by other materials, such as plastics, composites, glass fibers and ceramics, represents a serious constraint to future demand growth and requires a much broader strategic approach. This applies especially to the transportation and packaging markets, but also touches the field of construction. It must be understood that what is predicted is not a widescale "flight from metals," but rather a crucial competition at the margin. Unfortunately, this could keep demand constant rather than growing and, more importantly, could keep prices from rising.

Declining demand for metals

A major assumption of the paper is that there will be very low demand from non-Western countries for Canadian minerals. What is Canada's particular position relative to the anticipated consumption trends? In a low price market, it is conceivable that a low cost producer like Canada might, with continued technical improvements, do very well. Of course, Canadians wish for higher commodity prices to replenish coffers and permit new investment. Still, a temporary low price situation can be helpful if it serves to delay the introduction of substitute materials and to force some losing foreign operations out of the market.

Dr. Stuart Smith is Chairman of the Science Council of Canada in Ottawa.

Minerals industry threatened

Our own efficient and experienced producers can gain some advantage.

The research suggests that most of the metals found in abundance in Canada will be facing relatively low growth situations, and prices around current levels, through from 1990 to the year 2000. More specifically, predictions are for fairly flat or 1 percent growth for copper, 2 percent growth for aluminum (and that only provided there is continuing concerted market research), some development opportunities which could give an upturn to zinc, a continued flat pattern for lead, nickel and silver, and a lower demand for tin and for steel. Things look better for magnesium and some of the newer specialty minerals. Many of the specialty minerals, however, are linked to the fate of steel. Others, although in growing markets, are mined in small amounts by one or two suppliers and are therefore subject to erratic pricing and supply. These specialty metals, of course, represent only a very small fraction of present mining activity in Canada. There is also expected to be an increased demand for high quality source powders for ceramics, but market potential may be closely related to having the technology to deliver a consistent product at a relatively low price.

New strategy needed

Once the metals industry recognizes that it is in competition with more than just other suppliers of similar raw material, then a strategy must be adopted to compete successfully. The Report notes a need for great marketing capability and market sensitivity. Since it takes five to ten years to develop a new product, management needs an intimate knowledge of the consumers' needs, individual or corporate. Sometimes one must identify a market need before the customer has done so. To do this kind of thing requires a fundamental change in philosophy.

It is crucial to recognize that in such a situation a higher priced material may prevail over a lower priced one if the material performance is unique or extraordinary in some way or the overall system cost turns out to be lower. In other words, if the unique properties of the expensive material allow either functional savings at the product end or manufacturing savings during processing and assembly, a higher price per pound may not matter. Our metals may be cheaper than the advanced new materials, but that does not mean people will buy them.

What are the strategies that must be adopted by the metals industry? They might be listed as follows. Note that each strategy has an important science and technology component.

1. Research into technology, and management techniques, to lower the costs of production
2. Greater involvement with "downstream" product developments, including work with customers.
3. Intensive research and development in new, metal-based materials (e.g., new alloys, glassy metals, powder metallurgy and rapid solidification, new forming and casting techniques.)
4. Further research and development work on specialty minerals, seeking new, lower cost sources and production techniques, as well as new uses.

Four areas of concentration

Let us look briefly at each of these strategies.

1. Lowering cost of production. For immediate survival and for success in the near term, this is the most essential strategy to be followed. As indicated earlier, this has the beneficial effect of delaying substitution at the margin. It permits profitability even in times of low prices and it assures maximum market share for our own producers. By and large, our companies have already geared their efforts toward this goal, with most research in the field of "process improvements." Leaner management structures and reduced labor intensity have resulted. Although such efforts were overdue, and there is still room for much more research and technology along these lines, it is only fair to give credit to our mining companies for their accomplishments in this area. Further work is being contemplated, including cooperative, pre-competitive research and better coordination with universities and government laboratories, but the general direction has already been established.

2. Development of new products. There are exceptions, notably Alcan and some others, but Canadian metals companies tend to leave the downstream product-oriented research to their customers. This could turn out, in the long run, to be fatal. The future consumption of minerals will depend largely on the research done into new uses for existing materials. There must be a huge increase in conjoint research work done with people in the transportation, construction and packaging industries, and even with the customers of those industries. In other words, we must direct our research efforts several steps downstream to maintain markets for existing materials in the long term.

3. Development of new, metal-based materials. New knowledge permits the development of materials with new properties. Whether these properties allow new functions and higher quality or are useful simply because they reduce ultimate manufacturing costs, they will permit the new materials ultimately to prevail. There are rapid advances being made in this field as we come to understand molecular configuration and structure. Metals can compete only if we develop the new alloys, glassy metals and other materials that can be produced as a result of rapid solidification techniques, powder metallurgy, new forming and casting techniques and so on. Yet, astoundingly, Canada lags far behind other countries in this kind of research investment! Even what little is being done seems to be at universities or government laboratories. With a few exceptions, our companies have not yet seized the challenge nor do they seem to understand its crucial importance.

4. Development of specialty minerals. Although the tonnage figures are likely to remain low for many of the specialty metals, there is potential for high value-added and for a profitable pricing structure. Again, the answer lies in more research and development. Titanium looks promising but must compete with composites and ceramics. Niobium and neodymium are useful in super-magnets which might form the basis for huge new atomic research facilities and for transportation systems, as well as for automobile engine parts. Germanium, tantalum and gallium are increasingly important in electronics, albeit in

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small tonnages. There is money to be made in such elements, provided they can be produced efficiently and with high quality, using modern technology.

Research and more research

The message we offer is quite clear. The general indications concerning future consumption of metal are not terribly encouraging but are by no means hopeless. Survival in the short run will depend on the application of research, science and technology, as well as good management, in controlling costs and improving product quality. But the most significant danger comes in the medium to longer term when other materials can be expected to be active competitors with metals in most of the important

applications. The only way to guarantee survival and success in those circumstances will be with major research and development investments now. This would be advanced by a move to more cooperative works, both within the industry, and with government and university laboratories. These must be in the development of downstream products, in specialty metals and, most importantly, in the creation of new, metal-based materials, produced with new solidification and forming techniques.

The mining industry does not yet do enough research, and what it does is very understandably aimed at the short term needs. We suggest that it now must do much more of the kind and the amount of research and development that will be essential to long term success. □

Institutions without forms

A case of baskets

The Helsinki legacy

by David Pepper

The unsuccessful conclusions of the Ottawa Meeting of Experts on Human Rights, the Budapest Cultural Forum, and the Bern Human Contacts Meeting symbolize the current state of the Conference on Security and Cooperation in Europe (CSCE). Although the meetings ended in so-called stalemates, with the participants failing to agree upon a final document of any type, the end of the CSCE process is not in sight. The process has now evolved into a structure which is stable, predictable, and becoming more institutionalized.

Whereas a number of non-governmental groups have called for the withdrawal of Western support for the Helsinki process, this is not a likely prospect in the near future. In all probability, there will again be these calls questioning the usefulness of the CSCE at the third Review Meeting which has now begun its work in Vienna. This work will build on the results of all CSCE activities since September 1983. There will be many obstacles, including those created by the failures of the three recent meetings.

In 1985, the tenth anniversary year of the signing of the Helsinki Accords, some signatory states questioned the continuing usefulness of the CSCE process. From the polarity of the two superpowers, it may appear sterile, ineffective and unproductive. This can not be the only approach though, for the Helsinki process is renowned for the fact that it gathers thirty-five independent countries, each with an effective veto through consensus, to discuss fundamental security problems facing Europe. This means that the concerns and attitudes of all participating countries must be considered. In general, the smaller participants find the process, though slow and unproductive in ap-

pearance, to be a useful forum for a wide range of issues.

The dilemma, of course, is that if change is to be brought about in any of the participating states, it ought to be in the "spirit of Helsinki." This spirit is represented both in the Final Act and in the Belgrade Concluding Document in the calling for the continuation of multilateral contacts. This implies that the signatories should, while carrying out their own self-determined domestic policies, be amenable to contributions from other participating states with the confidence that it does not interfere with the internal affairs of the country. A lack of "Helsinki spirit" dominated the first ten years of the CSCE, and if another decade is to pass with a viable CSCE, new attitudes and changes must be forthcoming from the previously intransigent participants.

Ten years of what?

The numerous CSCE meetings that have taken place since the signing of the Final Act over ten years ago can be seen as the institutionalizing feature of the Helsinki process (see box). Although the signatories maintain a fiction that the CSCE is uninstitutionalized, this in fact is not the case. Their argument is that while every meeting of the CSCE is mandated by one of the major review conferences, the logistics of these meetings are never specified, and left up to the actors in each meeting. Thus, the Vienna meeting,

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though it will obviously follow the precedent set by the Madrid and Belgrade predecessors, was only mandated to begin with a preparatory meeting in September 1986. On the way to Vienna, the CSCE process convened many meetings on different subjects, with the Ottawa Meeting of Experts on Human Rights in 1985 seen as a turning point in, and demonstration of, the current state of the CSCE.

Although the process was fully endorsed by Mikhail Gorbachev in his October 1985 Paris press conference, and again in his speech to the 27th Congress of the Communist Party of the Soviet Union, it is now stagnant. Critics claim that the Soviets have been able to reap all of the benefits of Helsinki: the confirmation of borders, inviolability of frontiers, and a European Security Conference, while at the same time being able to renege on the much heralded humanitarian promises of Basket III and respect for human rights in Principle VII of Basket I.

Meetings of the CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

Founding meetings

Helsinki and Geneva, 1972-August 1975

Follow-up meetings

Belgrade, October 4, 1977-March 9, 1978
Madrid, November 11, 1980-September 9, 1983
Vienna, November 4, 1986-?

Experts' meetings

Montreux, October 31-December 11, 1987; Peaceful Settlement of Disputes.

Valletta, February 13-March 26, 1979; Questions relating to security and cooperation in the Mediterranean.

Hamburg, February 18-March 3, 1980; Scientific Forum

Stockholm, January 14, 1984-September 19, 1986; Conference on Confidence- and Security-building Measures and Disarmament in Europe (CDE).

Athens, March 21-April 30, 1984; Peaceful settlement of disputes.

Venice, October 16-26, 1984; Seminar on Mediterranean cooperation.

Ottawa, May 7-June 17, 1985; Meetings of Experts on Human Rights.

Helsinki, July 31-August 1, 1985; Tenth Anniversary Commemoration.

Budapest, October 15-November 25, 1985; Cultural Forum

Bern, April 16-May 26, 1986; Experts' Meeting on Human Contacts.

First, freeze the borders

For many years after the death of Stalin the Soviet Union was anxious to convene a conference that would deal with military and security questions in Europe. The diplomatic maneuverings leading up to the Helsinki negotiations were subject to the mercurial nature of East-West relations during that time. Finally, with the stabilization of European politics in the early 1970s, coupled with the US pursuit of détente, it became easier to establish a structure in which to negotiate European security. These negotiations were held in Helsinki and Geneva, and resulted in the signing of the Final Act of the Conference on Security and Cooperation in Europe on August 1, 1975. Thirty-five Heads of State made their way to Helsinki to sign the Accords that many greeted as the codification of the principles of détente. The uniqueness of the final Act was twofold: first, the non-binding legal aspect; and second, the way the Final Act came to be developed and interpreted by all sides.

The Conference on Security and Cooperation in Europe Final Act, more popularly known as the Helsinki Accord, is often explained away as simply the codification of détente and the confirmation of post-World War II boundaries in Europe. In the Final Act there are sections of indisputable importance, yet certain well-known clauses have tended to take the focus away from other sections of this potentially productive accord. The Americans view the Helsinki Accord from their superpower vantage point and forget that thirty-three other countries enjoy benefits from other baskets. These include the economic and technological parts of the second basket, and the human contacts portions of the third basket. As well, the process simply gives smaller European countries and Canada the opportunity to negotiate politically with the Soviets in an international arena outside the United Nations.

The enthusiasm of the Soviet Union and all signatories of the conference was maintained briefly in the post-signing period. Although the Soviets were not entirely surprised at the domestic response to the Accords, they were concerned specifically with certain agreed upon principles. The Final Act soon became a focal point, not for the sections confirming boundaries and inviolability of frontiers or increasing the transfer of technology, but instead for the human rights provisions in Principle VII of Basket One. Because of the nature of the reaction, the Soviet authorities were compelled to respond strongly.

Willy-nilly institutionalization

It is difficult to discuss the Helsinki Accords entirely in terms of institutions, because the mandated nature maintains a fluid type structure that allows it to be a dynamic process. The dynamism of the CSCE process is important to all thirty-five participants including the superpowers. These two countries, though dominating the alliance aspect of the CSCE, are not entirely "more equal than others" in the Helsinki process. The instituted procedure of consensus is the most vulnerable aspect of the process, and permits each and every country to be truly equal. This was most appropriately demonstrated by a filibustering Malta in the latter stages of the Madrid conference.

Included in the Final Act was a statement on the "Follow-up to the Conference" which deemed the CSCE to be an ongoing process. The follow-up meetings have a threefold function, 1) to review implementation records of signatories, 2) to consider new proposals, and 3) to adopt a concluding document.

The initial follow-up meeting held in Belgrade from October 1977 to March 1978 was a failure, although its very occurrence was important. The meeting continued the Helsinki process and elicited reaction from the Soviet Union. At Belgrade, the "Helsinki Process" developed as many of the procedural and technical questions raised in previous negotiations were finally established. This was significant in the initial stages of the CSCE because of early Soviet reliance on procedure in order to make points or diffuse the arguments of the West. But a more important point was that Belgrade provided the first opportunity for the established Helsinki Watch groups to begin the public procedure of highlighting the violations of the Final Act. At Belgrade, the United States was in the forefront representing the groups which had been formed in the two years following the signing of the Accords.

Three years of Madrid

The Madrid Meeting was anticipated by all signatories to be a potential watershed in the development of the CSCE. It was to convene nine short months after the Soviet invasion of Afghanistan and in a period following the harshest crackdown on dissidents and Helsinki group monitors. The mood of the participants was one of dismay and uncertainty as to what could possibly develop at the meeting. It was expected to be a short meeting. This did not happen, and after lengthy and bitter negotiations, the Madrid Review Meeting ended three years later to the day. The meeting itself contained a dynamic which can be said to apply only to the Helsinki process. Throughout the three years of negotiations there was always time for participating states to raise concerns. Thus, the Madrid Meeting was not only dominated by a determined US delegation desirous of a substantial concluding document, but also by reaction to political upheavals in the Warsaw Pact countries, notably the imposition of martial law in Poland, the continued Soviet presence in Afghanistan and the death of Leonid I. Brezhnev. On the US side, the Madrid Meeting saw the change of administrations from the beleaguered Jimmy Carter to the high riding Ronald Reagan.

Although Madrid appeared to be set back continually by international events, one of the main successes was that it forced the Soviet Union to accept certain CSCE procedures. A member of the US delegation commented in a Congressional hearing that, the Soviets "are very conservative, they move very slowly, they are very intransigent in their positions. But over the past five years, they have come to accept not only that human rights is a legitimate topic for discussion but so is the discussion of individual cases and criticisms of the record of a particular government on implementation."

The Madrid Meeting concluded on September 9, 1983, with a substantial final document, the "Purple Book," appropriately in the wake of yet another nail in the coffin of détente — the shooting down of KAL 007. The Meeting

ended both with general dissatisfaction on all sides and with the CSCE tradition of continuing the mandate. This continuation was in the guise of further experts' meetings as well as a full scale review meeting to convene in Vienna (a compromise location from Brussels and Bucharest) in November 1986. The other meetings mandated were the Venice Seminar on Economic, Scientific and Cultural Cooperation in the Mediterranean, the Budapest Cultural Forum, the Ottawa Meeting on Human Rights, and the Human Contacts Meeting in Bern. Finally, on Soviet insistence, the Conference on Confidence- and Security-building Measures and Disarmament in Europe, set to begin in Stockholm in January 1984 was negotiated into the Madrid Concluding Document. This fulfilled the main Soviet aim to bring about a specific meeting on military security issues in Europe.

Application has been the subject of heated discussions in the various forums that have taken place within the CSCE realm. Western states have objected strongly to the systematic Soviet harassment of Helsinki Group members which has forced them either to disband, as the Moscow Group did in September 1982, or to go underground. A recent example of the application debate was at the Ottawa Meeting of Experts on Human Rights in 1985. At this CSCE meeting there was a full discussion on many political aspects of the human rights question, with participation from all participants. The Meeting was closed to the media except for the opening and closing statements. The dissemination of information, however, was adequate because of briefings to the press by various national delegations.

Survival

The main theme of Soviet and East European participation in recent CSCE meetings has been perpetuation and survival. The Soviets have wanted to perpetuate the CSCE process, and in doing so, survive the negative effects of the meetings in Ottawa, Budapest and Bern.

Due to the benefits derived, the Soviets are anxious to continue the CSCE process and, in doing so, prove their adherence to it. Recently the most important benefit at stake was the continuation of the European Security Conference in Stockholm. The Stockholm conference brought several advances in the confidence-building measures area of the Helsinki accords. Specifically, these were the lowering of the troop size required for notification of maneuvers from 25,000 to 13,000, and the increased time period for notification from twenty-one to forty-two days. The most publicized and significant result, however, was the agreement relating to compliance and verification. By including these forty-five detailed provisions, the CSCE process did what many other East-West forums had failed to do — bring about an agreement with the principle of on-site verification. The success should not have been a surprise, considering the continued enthusiasm of the Soviet Union which had, from the beginning, vigorously supported the Conference on Confidence- and Security-Building Measures and Disarmament in Europe.

The other benefits for the Soviets are those in Basket I, notably Principles III and IV, the inviolability of frontiers and territorial integrity. Beyond that, there are economic

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and scientific areas in Basket II that are advantageous to the Soviets and East Europeans. As well, the ability to meet in regular forums with all European countries is important to the Soviet leadership. The need for acceptance in the European political arena is worth adherence to the agreement. The continued assertion by the Soviets that they are fulfilling all of their Helsinki obligations is another use of their offensive style in the international arena.

The "survival" theme encompasses five different points, four of which were met. The only area where the Soviets may have "lost" was in confirming the precedent of discussing human rights violations in member states. Although discussion in this area had occurred at previous meetings, beginning with Belgrade, the Soviet agreement by participation was finally confirmed in Ottawa. The Soviets can no longer claim non-interference in internal affairs now that they have soiled their hands with accusations. The other four areas of "survival" have been maintained. The first is the adamant Soviet view that the meetings remain closed, which they are except for the opening and closing statements. The resistance to concessions in final documents has also been maintained, with the result that there have been no concluding documents for the last three meetings. The Soviets have also been able to maintain bloc unity, in that there were no exclusively independent actions taken, except for activities by the Romanian delegation which has come to be expected. The final and most important element of "survival" is resisting a call for any kind of follow-up meeting on human rights and human contacts.

Cost to the USSR

The Soviet losses are not major, yet in the era of public relations and Mikhail Gorbachev, they are still losses. The most significant loss, which may not be readily felt by the Soviets, is the alienation of the Neutral and Non-aligned members of the CSCE. The Soviet actions in the recent meetings have been seen as spoiling and have alienated the hardworking and sincere neutrals. They are often the saviors of CSCE meetings, and both the East and West rely upon them. The fact that the Soviets would not "rally to the consensus" in the CSCE tradition, can only be viewed by all participants as debilitating. Another loss from the Soviet point of view was the fact that the East European countries carried on forms of bilateral negotiations with the West during the meetings, undermining some aspects of unity. As well, the non-official meetings of the delegates broke some barriers that would have otherwise been maintained. The fact that the Soviets agreed in Ottawa to examine human rights in other countries must also be considered as a precedent for the future meetings of the CSCE. Finally, although there have been no concluding documents, the proposals put forth by all delegations remain on the CSCE record. These proposals have already been declared by the Western participants to be the basis of future discussions as well as for reference at the Vienna Review Meeting.

CSCE achievements

According to US Ambassador Richard Schifter the West sees CSCE meetings to be valuable for six main reasons:

1. The positive impact on Warsaw Pact countries;
2. CSCE meetings encourage dissidents;
3. The Soviet leadership is sensitive to adverse publicity;
4. The Western bloc can be united in their presentation and conclusion;
5. The Western bloc is often allied with the Neutrals against the East; and,
6. The Soviets have not succeeded in diluting human rights provisions in the Final Act and have agreed to the principle of examination in participating states.

Thus, Western victories have been the direct counterpart of Soviet losses. This may be a bad omen for future CSCE activities with these opposite benefits being accentuated. In fact, the future of the CSCE is certainly under scrutiny from both sides, and despite the equality of all states through the provisions of consensus, the life of the CSCE is very much determined by the enthusiasm of its two main actors, the United States and the Soviet Union. The fate of the CSCE, although it is generally looked upon optimistically by the lesser actors, will undoubtedly be decided by the larger machinations of East-West relations. Countries such as Canada should continue to support the CSCE fully. Despite the fact that there are many unfulfilled commitments, it still serves as an opportunity for Canadian participation in European affairs.

Gorbachev has declared his full support for the process and it is unlikely to be discarded as a remnant of the Brezhnev era. The Soviet leadership is unlikely to retreat on any of the principles which it views as useful. The CSCE is still regarded by the leadership as an important forum for discourse with the European countries. The fact that the Soviet Union has been able to continue its participation in the CSCE process, despite the violations of certain aspects, and suffer only minimal losses, makes it likely that the process will continue to be exploited and looked upon favorably. In continuing, the Soviets may be able to claim in the future that the nature of the CSCE has become intrinsically absorbed in international law through the force of peaceful coexistence, and thus is no longer useful or necessary. This, however, will be contingent upon the Vienna meeting. Vienna will culminate more than a decade of unfulfilled Western hopes. The American position will undoubtedly be based on the "summitteering" atmosphere of Reagan and Gorbachev which could still change a number of times as the meeting unfolds. Western frustration over the failures of Helsinki must give way to new initiatives and not simply relegate the Final Act to the ash heap of history.

Arms, arms control and security

by Lorne E. Green

We feel reassured when we see an ongoing political dialogue between East and West, and when our leaders shun cold war rhetoric. The world seems a safer, more secure place if Mr. Reagan and Mr. Gorbachev are talking, or if arms control negotiations are going on. By the same token, when the dialogue looks like drying up or running into difficulties, as when the Russians walked away from the Geneva negotiations in 1983, or when the first news reports from the Reykjavik summit sounded gloomy, we become concerned. It is noteworthy, then, that the Russians and the Americans have been stressing since Reykjavik that the arms control dialogue will go on — as indeed it has done.

It is often said that people in the Western democracies are impatient. Some explanation for this may be found in democratic government itself. If we are dissatisfied with the conduct of our affairs, then we have the opportunity, and hence the expectation, of rapid change. Because we are a society which encourages free choice, we tend to be intolerant of social injustice, we are impatient for cures for disease, and we expect our security as a people enjoying both peace and freedom to be upheld.

Price of impatience

This passion for early results can, however, complicate the conduct of arms control negotiations with the East. Complex issues of strategic stability are not given to quick or simple solutions, especially with the technological sophistication of today's arms. Our tendency to impatience, our frustration when things do not seem to be going well, can be played on by those with whom the West negotiates in order to put pressure on our governments and their negotiators. This is sometimes known as public diplomacy, public information or propaganda. The opportunities for this are much greater in open societies.

Would a superpower agreement to reduce their nuclear arsenals herald a new age in East-West relations? Would the problems of a divided Europe, regional differences, and the differing political, economic and social views of the world seem any less intractable? There can be no doubt that substantial arms control agreements can help mightily — but they cannot shoulder all the weight of East-West relations.

Striking the balance

Arms control must take its place, along with defence efforts, as part of security policy. They both must be directed towards stability. National or international security cannot be assured in the absence of balance — balance in

arms control and in the defence postures of East and West. We cannot cede a potentially destabilizing advantage to the other side through inadequate arms control agreements, or an inadequate defence; to do so would imperil our security.

A stable balance of forces can be more than a deterrent to the outbreak of war, or to the threat of such. Balance, and the desire to preserve it, can help to bring governments to the negotiating table and to strengthen their resolve to settle disputes by peaceful means.

The question then revolves around the level at which the balance should be struck. Certainly Canada, and NATO, as a defensive alliance, do not want more than the minimum forces necessary to maintain both peace and freedom. In fact, NATO has taken a number of measures in recent years to ensure that it does not retain more than it needs. This activity does not get the recognition it deserves. In 1979, when the decision was taken on long-range missile deployment and arms control, 1,000 nuclear weapons were removed from Europe. A further 572 weapons are being removed as 572 ground-launched cruise and Pershing II missiles are deployed. In October 1983 NATO Ministers at Montebello, Quebec, decided to reduce NATO's nuclear stockpile in Europe by a further 1,400 weapons. But this sort of unilateral arms control is not sufficient. There must be negotiated agreements that are equitable, balanced and verifiable to assure both sides that their security is not imperilled. The pursuit of enhanced security at a lower level of armaments is the aim of arms control. The essential criterion is stability.

Force postures are based on a nation's, or an alliance's, calculations of what will best serve its interests. No nation or alliance can afford to engage in competition for competition's sake. For instance, in strategic forces, the Soviet Union has chosen to put great emphasis on its land-based missiles, while the United States has put more emphasis on its sea-launched missiles. According to a recent table in *The New York Times*, the Soviet Union has 6,420 warheads on land-based missiles, compared to 2,100 for the United States. The same table shows, on the other hand, 5,760 warheads on United States sea-launched missiles, compared to 2,800 for the Soviet Union. These force postures result from conscious choices based on a calculation of needs, costs and benefits.

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Striking the balance

Levelling up or levelling down?

In arms control negotiations it may seem easier to set high ceilings than low ceilings. Perhaps there was something of this in the SALT process of the 1970s. That does not, however, appear to be the process now underway in Geneva. SALT, or Strategic Arms *Limitation* Talks, has been overtaken by START — Strategic Arms *Reduction* Talks. It is of no small significance that both sides are working toward 50 percent reductions in strategic arms. What we see now is not a levelling up, but a potential levelling down, process. So too with intermediate-range nuclear arms.

The negotiators must be vigilant; reductions by themselves do not necessarily enhance stability. An arms control agreement must not permit one side to circumvent the intended effect of the treaty through cheating, or with unconstrained systems. For example, in considering an agreement on long-range missiles in Europe, NATO must be awake to the Soviet shorter-range INF forces, should they provide the Soviet Union with much the same target coverage as the SS-20.

On the other side of the stability equation is the security that comes from the maintenance of credible forces in sufficient numbers, and appropriately deployed to deter aggression; but, of course, this goal imposes a financial burden. Nations assume many burdens: national economic and social development, international relief and development assistance, and so on. These are not either/or situations; governments must meet many needs simultaneously. Among these must be national defence, to preserve our peace and freedom — by deterring the outbreak or threat of war. Of course in an ideal world, a world where mistrust did not exist, it might be possible to imagine the absence of arms, with all the national resources devoted to building, rather than some of them directed to protecting. We live, however, in a world of imperfect selves, imperfect nations and imperfect relations among nations. Accordingly, we need to protect our national interests; these include peace with freedom for our people.

Paradoxes of the nuclear peace

Nuclear weapons have introduced a new level of concern in the calculation of strategic stability. No one denies that the destructive potential of nuclear arms is enormous. Fear of the destructive potential of nuclear weapons has been the major restraint against their use. *The Economist* magazine in a feature some months ago entitled "The Long Nuclear Peace," said that the past forty-one years suggest that nuclear weapons are not only a deterrent against other nuclear weapons but also they are a way of discouraging any sort of war from starting.

The understanding of the role of nuclear arms in maintaining peace is complicated by a number of paradoxes. First, while everyone would strongly prefer reaching a situation where nuclear arms safely could be abolished, we still could never fail to continue to take them into account. They cannot be disinvented, the knowledge of how to create them would always exist. Consequently, so long as mistrust existed between nations, the threat of nuclear weapons would be a factor to consider.

A second paradox is that while nuclear weapons are disturbing to the public mind, they are, nevertheless, prob-

ably the least obtrusive, or the least visible, of weapons. Our television screens are crowded with images of violence and devastation from the use of conventional weapons. Vastly more resources go into conventional arms than nuclear. In all the wars that have scarred the earth since 1945 nuclear weapons have not been used.

Cooperate or perish

Another paradox resides in the fact that nations which are in apparent competition, with different political, economic and social systems must, nevertheless, cooperate with one another to keep the peace in a nuclear age. Failure to cooperate is too dangerous. Similarly, the security relationship is so closely interwoven that there is little room for unilateral action. What one does, by its nature affects the other. If the Soviet Union continues a massive build-up of arms at all levels, then the West must take appropriate steps to redress the balance, in order to continue to ensure that its security is not imperilled. If the United States talks about the possibility of shifting the balance between offensive and defensive systems, then, of course, the Soviet Union must pay attention.

Perhaps the greatest paradox of all is in the role of nuclear weapons themselves. For, in spite of the enormous destructive potential of nuclear arms, their primary purpose is served if they do not have to be used at all. NATO seeks, through the maintenance of credible forces, to *deter* war by convincing a potential opponent that attack, or the threat of attack, at any level, simply would not be worth its while. The risks involved in initiating or conducting war would be greater than the hoped for benefits. To be effective, however, deterrent forces must be credible because no one would be deterred by obsolete, vulnerable or inadequate forces. Therefore, the maintenance of this great paradox through an effective force posture is important.

What it means for Canada

Where then does Canada fit into this picture? Canada of course has no nuclear roles. We do, however, rely on the collective strength and influence of the North Atlantic Alliance to guarantee our security. Accordingly, we accept the risks and responsibilities, along with the benefits, of collective security arrangements. If Canada were to go it alone, we would still need to defend ourselves if we were to assure both peace and freedom. The task and costs would then be very much greater, and the desired outcome very much less sure. Further, Canada's contribution to collective deterrence and defence gives us an opportunity to influence the development of other security measures. In the arms control area, to cite one example, we are partners in NATO consultations on nuclear arms control.

In the preamble to the North Atlantic Treaty the member nations "reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments. They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law. They seek to promote stability and wellbeing in the North Atlantic area. They are resolved to unite their efforts for collective defence and for the preservation of peace and security." NATO's functions therefore include

The events of October-November 1986

international canada

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Bilateral Relations

USA

Softwood Exports

The dispute over Canadian softwood lumber exports to the US continued during this 2-month period (See "International Canada" for August and September 1986). On October 9, while waiting for a decision from the US Commerce Department on whether Canadian softwood was subsidized, International Trade Minister Pat Carney said that "Canadians would be angry" if the US imposed a new tariff on Canadian lumber, and support for free trade negotiations "would be eroded" by such a move. Ms Carney also denied in the House that the government was putting forward any offer besides its "once only" offer at the end of September to increase stumpage fees, an offer that was called an "insult" by US lumber producers (*Ottawa Citizen*, October 10).

When the US announced it would impose a preliminary 15 percent tariff on softwood from Canada (a final decision would be forthcoming on December 30), the Minister said the Canadian government "deplores" and "will fight [the decision] all the way." Ms Carney also stressed that free trade negotiations were the solution to US protectionism. "Today it's lumber, tomorrow it could be any number of issues. . . . We must change the rules in order to stop the harassment by US interest groups against competitive and fairly traded Canadian exports," she said. Prime Minister Brian Mulroney said that the government would "take strong and vigorous action, hopefully to reverse this action," but dismissed the suggestion that Canada might retaliate in some way (*Globe and Mail*, October 17). As far as the impact of the 15 percent tariff was concerned, Michael McCracken of Infometrica Ltd., economic consultants, said that the result could be a 10 percent reduction in forest industry employment and up to a 12.5 percent loss in total exports.

Ms Carney met in Toronto on October 20 and 21 with industry, union and provincial government officials. The outcome of the talks was an agreement that Ottawa would "be taking steps both in the course of the judicial process and diplomatic trials to bring home to the [US] Administration why we consider this decision to be untenable," said Ms Carney. The *Globe and Mail* reported on October 22 that the decision to fight the ruling rather than negotiate

meant the Canadian government would not take advantage of an option available to it under US trade law — that of coming up with some concessions within thirty days that would enable it to avoid paying the full tariff.

The Canadian decision was met with support from Liberal trade critic Lloyd Axworthy, who said that he had been worried the government would make a compromise offer to raise prices, as they did before the Commerce Department ruling. However, NDP trade critic Steven Langdon said that the government should have taken immediate retaliatory action, to show the US how tough Canada could be (*Ottawa Citizen*, October 23).

In a Boston speech on October 22, Ms Carney spoke strongly of the effects the lumber tariff could have. "Many Canadians will perceive — wrongly in my view — that this action of one US industry is an indication of the general view of Americans toward their northern neighbor. . . . Protectionist action poisons the atmosphere surrounding a trade negotiation which is intended to free trade between us. . . . We view it as an unacceptable attempt to impose US views on how other governments should manage their natural resources. This is an attack on our sovereignty," the Minister told the Canada-New England Business Society (International Trade statement, October 22).

In an October 27 interview on PBS, Prime Minister Brian Mulroney blamed the "electoral ambience" in the US, caused by the upcoming congressional elections, for the imposition of protectionist measures by the US, and warned that the "pernicious" lumber tariff would hit Americans in the pocket book (*Globe and Mail*, October 28).

During the week of October 27, a team of six US investigators from the Department of Commerce arrived in Canada to seek information from the federal and provincial governments and lumber companies, in an effort to either verify or dispute the preliminary ruling which led to the 15 percent tariff on lumber from Canada. A US embassy spokesman said, "These fellows are not in anyone's pocket. They take great pride in being very objective about these things." And a Canadian lumber industry spokesman expressed optimism about the result of the investigation, claiming there were "definitely some problems with

the numbers used" by the Commerce Department in reaching their ruling (*Ottawa Citizen*, October 29).

On October 29 the *Ottawa Citizen* reported that Canada had won a small concession in the lumber dispute. Ms Carney announced that the US Commerce Department had agreed to allow each Canadian lumber producer to post one entry bond at the border to cover several anticipated shipments into the US. Since the tariff had been imposed, producers were required to post one bond per shipment, in anticipation of paying the tariff retroactively should the Department rule against Canada at the end of December. The Minister also announced that transportation costs would not be included in the calculation of the tariff. Ron Longstaffe of the Canadian Forest Industries Council said, "It eases the paperwork and makes things a little more convenient to deal with."

The *Globe and Mail* reported the same day that Canadian producers had written to US Commerce Secretary Malcolm Baldrige that week asking for a correction in the Commerce Department calculations used to rule on the tariff. Robert Herzstein, a Washington lawyer representing the Canadian industry, said the Department had double-counted certain costs in their calculations, and that correction of this "obvious error" would reduce the tariff to half of the 15 percent determined by the Department.

While the US lumber industry claimed that there had been no error, the Commerce Department began studying submissions by both Canadian and US producers in an effort to reach a final ruling by December 30. Ottawa sent a toughly worded diplomatic note to Washington, formally demanding that the tariff be revoked and the investigation by US trade officials into the Canadian industry be stopped (*Globe and Mail*, November 1). Canadian government officials said that, while it was unlikely that the US would change the preliminary ruling, the ruling was so badly flawed that "we would be negligent if we did anything less."

Commerce Secretary Baldrige responded to Ms Carney's request for a meeting and the two met in Washington on November 6. The *Globe and Mail* reported that Ms Carney said Mr. Baldrige "gave us a very good hearing. Ontario's Minister of Natural Resources, Vincent Kerrio, one of four provincial ministers included in the meetings, remarked, "This is a very refreshing show of unity in Canada. There's more than one way to skin a cat." Ms Carney, asked about possible retaliatory measures, said, "We're not here to declare war on the United States."

At a meeting in Ottawa later in November, however, the show of unity displayed in Washington began to crack. Ms Carney failed to settle the dispute between British Columbia and Ontario over the means by which Canada should proceed. BC would have sought to negotiate a compromise before the legal deadline of November 30, while Ontario took the position that the tariff should be fought through legal means (*Globe and Mail*, November 20). Premier David Peterson of Ontario then filed a notice with the Commerce Department objecting to the tariff, and said he would urge his fellow premiers to follow suit. "What [the lumber tariff] basically would say is that the United States could dictate Canadian resource policy, with a very serious threat to our sovereignty and our ability to develop independent policies. . . . We think the decision is so bad that

we have to fight it legally and politically" (*Globe and Mail*, November 20).

At the first ministers' conference in Vancouver, Mr. Peterson was the only premier to refuse to support what the *Ottawa Citizen* called a "vague deal" which was hatched by the first ministers to resolve what Ms Carney called "the most bitter dispute between Canada and the US in 30 years" (*Ottawa Citizen*, November 22). Under the proposed plan, the report said, the provinces would raise the export price of lumber shipped to the US in return for the US dropping the 15 percent import tariff. Such a move would increase domestic lumber prices at the same time. A senior aide to Mr. Peterson said, "The whole thing is so vague it makes you wonder if it wasn't concocted just to get the lumber stuff off the [conference agenda]." Ms Carney conceded that "Canadian consumers may be paying more for lumber" but she said that Canada wanted to cut a deal before fighting the matter to the final ruling, because preliminary findings of the US Commerce Department were rarely changed. A senior Canadian lumber industry spokesman reacted to the deal by saying that it was a betrayal of the industry and had seriously damaged the country's legal case with the US, the *Ottawa Citizen* report said.

While the US lumber industry also responded negatively to the deal, Prime Minister Brian Mulroney said that an increase in domestic lumber prices was "the price of playing poker" with the US. "There have been no concessions made in favor of the Americans," he told the House on November 24. Opposition Leader John Turner asked in the House, "In his obsession to pursue a free trade agreement with the United States, how far is [the Prime Minister] prepared to go in selling out Canada?" And NDP Leader Ed Broadbent said that a compromise deal would only encourage other US industries to seek penalties against Canadian producers (*Ottawa Citizen*, November 25).

As BC Premier Bill Vander Zalm threatened to proceed on his own in negotiating a settlement with the US, a new agreement was reached in Ottawa between federal and provincial officials. On November 27 the *Citizen* reported that Canada had made a formal offer to place a 15 percent export tax on all lumber exports, in return for the dropping of the import duty by the US. Quebec and BC, which accounted for 80 percent of softwood exports, endorsed the proposal, while Ontario, Nova Scotia and New Brunswick objected to it. The offer was delivered to the US Commerce Department on November 26.

At the end of November, the Canadian government was said to be pessimistic about its chances of winning its case against the Commerce Department ruling. A senior federal official, in a briefing arranged by External Affairs Minister Joe Clark's office, said that the government decided to offer the 15 percent export tax as a compromise because it would minimize damage to Canada. "US countervail law is a loaded deck. . . . We still believe our case to be strong, but there's nothing we have seen to lead us to believe that the determination will be turned around." The government was worried that, if it lost its legal case when the final ruling was made on December 30, it would set a dangerous precedent that could lead to similar duties

against other Canadian products, the official said. But if the government could persuade the American industry to withdraw its complaint against Canadian lumber before December 30, then the preliminary decision would be wiped off the books and no precedent set (*Ottawa Citizen*, November 29).

No US response to the Canadian proposal had been received by November 30.

Corn Duty

On November 7 the Department of National Revenue levied a preliminary countervailing tariff on imports of US corn. The tariff was set at US\$1.047 per bushel, or 67 percent of the corn's value, and took effect immediately following the announcement. The *Globe and Mail* reported on November 8 that this was the first time that a foreign country had levied countervailing tariffs against the US in an attempt to neutralize what were deemed by Revenue Canada to be "illegal subsidies." Viewed as an important move by the European Community because of their ongoing agricultural trade war with the US, the levying of the duty was not expected to affect Canadian consumers. The majority of imported corn was used as feed for cattle and chickens, the report said, and the final price of the meat would not likely increase.

Imports of US corn amounted to about 20 percent of total Canadian corn production in the first ten months of 1986.

Elmer MacKay, Minister of National Revenue, dismissed suggestions that the duty was levied in retaliation for the US duty on Canadian softwood lumber, pointing out that the move towards a corn duty had begun the previous May, long before the US lumber decision was made. And Thomas Grieg, Revenue Canada assistant deputy minister, said, "There is no room, no way for political interference in a countervailing decision. It's an administrative procedure, a simple statement of fact" (*Globe and Mail*, November 8).

Ed Kalita, president of the Ontario Corn Producers Association, said he thought the decision was "great. The Americans enjoy far better subsidies than we do, and this will protect Canadian corn producers," the *Globe and Mail* reported.

US Agriculture Secretary Richard Lyng said from Washington, "I am astonished and dismayed. . . . The Canadian action is completely inconsistent with recent efforts by both the United States and Canada to bring about freer and fairer trade." And a spokesman for the US National Corn Growers Association, Michael Hall, called the levying of the duty "mind-boggling."

In spite of some strongly negative reactions from the US, some US trade officials took pains to play down the corn issue. One US administration official unnamed by the *Globe and Mail* said, "We aren't viewing this as a destructive impediment [to the free trade talks]. How could we after what we've been doing?" And referring to the fact that the duty was a preliminary one, subject to further investigation by Revenue Canada, another US official said it would be premature for the US to consider any form of trade retaliation until the final decision, set for February 5 (*Globe and Mail*, November 11).

The US corn growers would argue against the duty on a number of key issues that they said Revenue Canada

had ignored in its preliminary ruling, said their representative Michael Hall. He added that the move by Canada was likely to stir up protectionist feelings in the US farm community, "considered one of the last bastions of free trade in the country," according to a *New York Times* report on November 8.

US Surtax on Imports

On October 17 the US House of Representatives passed legislation imposing user fee or surtax on all imports into the US. In an effort to prevent the legislation from being enacted, External Affairs Minister Joe Clark told US President Ronald Reagan that Canada expected him to veto what the Minister called the "offensive" legislation, and that Canada would go to GATT for a remedy if the President did sign the bill (See GATT, below).

When, on October 21, the President signed the surtax bill, Mr. Clark said that Canada would prepare the "strongest possible case" against it, and that there were "areas in terms of customs duties where we might move ourselves." International Trade Minister Pat Carney said that Canada would consider retaliatory measures should Mr. Reagan refuse Canada's request for a veto (*Ottawa Citizen*, October 23).

The surtax was expected to earn the US government about \$200 million in the next year on imports from Canada worth about \$95 billion. The US hoped to raise a total of US\$2.4 billion from the surtax between December 1986 and September 1989, to pay for customs operations.

Freer Trade Negotiations

Negotiations with the US on freer trade continued during this 2-month period (See "International Canada" for August and September 1986). At the end of October, US Trade Representative Clayton Yeutter told a conference on Canada-US relations, "I want everyone to know that there is a strong will on the US side to move ahead. . . . I will do everything I can to preclude [sectoral disputes] from sabotaging our long-term commitment" (*Ottawa Citizen*, October 31). This view was echoed by US Senator George Mitchell of Maine after the Democrats' victory in the November congressional elections. "We ought to move on trade. We want to increase trade by breaking down barriers," said the Democrats' campaign chairman. But Senator Robert Byrd of West Virginia, who was expected to become the majority leader in the Senate, pledged aggressive legislation to deal with the "national embarrassment" of the US trade deficit, saying the "the working people of this country have been mugged in international competition" (*Globe and Mail*, November 6).

Meanwhile, after meeting with International Trade Minister Pat Carney in Washington on November 6, US Commerce Secretary Malcolm Baldrige said, "The people in this country don't want protectionism. . . . I think the new Congress will be supportive [of a free trade agreement]." And Ms Carney said that Canada's commitment to the free trade talks had been enhanced by recent "trade harassment measures" taken by the US (*Ottawa Citizen*, November 7).

US ambassador Thomas Niles said on November 7 that the Canadian government could not realistically expect the US to stop penalizing subsidized Canadian imports as part of a freer trade agreement. He said the US would likely agree to a non-binding procedure for negotiating settlements to trade disputes, but would want to remain free to investigate trade practices and impose punitive duties when negotiations failed to solve a specific problem (*Globe and Mail*, November 8).

In a November 9 speech to a Hull, Quebec business audience, Prime Minister Brian Mulroney expressed his confidence that the Democratic victory would not harm the free trade negotiations. "I can assure you we are going to follow through and I'm satisfied we are going to conclude a new trade deal that will be very good for Canada and for the United States," Mr. Mulroney said (*Globe and Mail*, November 10).

After the first day of the sixth round of negotiations, which began in Ottawa on November 12, Canadian negotiator Simon Reisman said that he would not be so "stubborn" as to ignore US proposals for changes in the auto pact that would increase Canadian production and employment. And US negotiator Peter Murphy said that the auto pact was "something the United States is very interested in and we certainly want to look at all the facts on it" (*Ottawa Citizen*, November 13).

At the end of the sixth round of talks, Mr. Murphy said that Canada would have to make "very meaningful concessions" at the bargaining table if it wanted to break from protectionist US trade laws. Mr. Reisman agreed, saying that getting the US to curtail some of its countervail power was "central to the negotiation," and that Canada could no longer expect to continue subsidizing industry if it wanted to escape US trade laws (*Ottawa Citizen*, November 15).

The final preliminary round of the talks was to take place before Christmas in Washington.

On November 19 International Trade Minister Pat Carney told a New York business audience that an energetic sales pitch from US business leaders could help stem rising protectionist pressures in the US. "Despite President Reagan's continuing support for trade liberalization and recent evidence that the US trade deficit is declining, protectionism appears to be gaining ground in the US. . . . Your problem is not with us," the Minister said (*Globe and Mail*, November 20).

Acid Rain

During the week of November 3 the governments of Ontario and eight northeastern states filed petitions with the US Court of Appeals for the rehearing of a case which had struck down an order to the US government to force acid rain curbs in seven states.

The September ruling was called "a legal and ecological disaster of major proportions" by New York and six other states in their petition. Ontario and Maine told the court that the ruling undermined US pollution law, was inconsistent with a previous ruling, and was based on a harmless procedural error.

The lower court ruling which had been struck down would have required reductions of sulphur dioxide emissions from coal-fired electrical power plants and other sources of acid rain-producing chemicals.

A new ruling was expected in December (*Globe and Mail*, November 12).

Detroit Incinerator

The *Globe and Mail* reported on October 24 that the Canadian government had told the US government that pollution control equipment planned for a huge Detroit incinerator was inadequate. At a meeting in Washington, said Jim Wright, head of the Canadian embassy's environmental section, the US Environmental Protection Agency (EPA) was told by the Canadians that the US was expected to meet its international obligations to ensure the incinerator would pose no environmental or health threat to Canadians.

Mr. Wright said that the incinerator lacked equipment to curb emissions of dioxins, acids, carbon monoxide and particulates. The EPA had dropped its legal efforts to revoke the incinerator's construction permit when it became apparent that the agency had missed several opportunities for ensuring emission control standards before the permit was granted.

Canadian and US officials were waiting for a US Federal Court written ruling to determine the extent to which the EPA's hands were tied over the issues, the report said.

Hazardous Wastes

The *Ottawa Citizen* reported on November 6 that a five-year agreement on trans-boundary shipment of hazardous wastes had been signed on October 31 in Ottawa by Environment Minister Tom McMillan and EPA administrator Lee Thomas. The accord compelled each country to give written notice before sending toxic chemicals across the Canada-US border; the notified nation would have thirty days in which to object to the shipment.

Niagara River

On October 29 the *Ottawa Citizen* reported that agreement on a plan to clean up the Niagara River had been reached by the governments of Canada, the US, Ontario and New York. Environment Minister Tom McMillan said that despite the river's international renown as a symbol of toxic waste's impact, firms in Canada and the US were still polluting the river. All four governments accepted the need for action on the Niagara, the Minister said.

Water

At a Science Council of Canada hearing on Canadian water policy, Peter Rogers of Harvard University said that Canada should trade "water futures" for US guarantees to take action on acid rain and other environmental issues. But Peter Pearce, former chairman of the inquiry, said that he opposed trading water for a US pollution cleanup. "Buying off the Americans on acid rain. . . would create a morass" which could be costly to Canada, he said (*Globe and Mail*, November 5).

Great Lakes

Environment Minister Tom McMillan was unable to attend a three-day international conference on Great Lakes water quality in November because of a prior commitment, the *Globe and Mail* reported on November 18. Elizabeth May, an aide to the Minister, said that it was "unfortunate" that he could not attend, and that he "regretted" the situation. The Minister sent no one in his place.

The *Globe and Mail* reported that Thomas Martin, director of Michigan's Great Lakes Office, said that neither Canada nor the US was willing to put much effort into the Great Lakes programs. "You see [Prime Minister Brian] Mulroney running away from environmental responsibilities as fast as he can go," Mr. Martin said. Michigan Governor James Blanchard told the conference that US President Ronald Reagan's veto of amendments to the Clean Water Act was "a national disgrace." And John Jackson, vice-president of Great Lakes United, the largest citizens' group dealing with Great Lakes issues, said Mr. McMillan's absence proved that "they are not really committed to Great Lakes water quality."

On November 28 federal and provincial environment officials told a news conference in Toronto that they had no power to stop the dumping of large amounts of contaminated earth into Lake Ontario. The earth, from Toronto area construction sites, formed a spit in the harbor, and officials said they had stopped measuring pollution levels in the material three years earlier.

The Toronto Harbor Commission had control over dumping on the spit, officials said, and was allowing 400 to 600 trucks a day to dump there.

An Environment Canada report released the day of the news conference showed that, in 1983, 52 percent of the loads dumped at the spit did not meet provincial guidelines, and one third of the loads were highly contaminated (*Ottawa Citizen*, November 29).

Britain

Air Transport Dispute

After Britain gave notice in September that it intended to cancel in one year a bilateral air agreement with Canada, Canada's Department of External Affairs and Department of Transport made a joint announcement on November 12 which was seen as "raising the stakes" in the air dispute between the two countries (*Globe and Mail*, November 13).

The bilateral agreement, reached in 1981, gave British Airways access to the western Canadian market, while Air Canada got the right to stop in London to pick up additional passengers en route to Dusseldorf, Bombay and Singapore. Britain decided to cancel its part of the agreement in 1987 because British Airways complained that most of Air Canada's passengers to Bombay and Singapore were boarding in London, and not in Toronto; this meant that Air Canada was cutting into British Airways' Far East business.

The November 12 announcement by the two Canadian ministers gave notice that Canada would withdraw

from the International Air Services Transit Agreement (IASTA) which allowed overflight rights over Canada to aircraft en route to other destinations, especially in the US. While this agreement was one that encompassed about 100 countries, spokesmen for both departments said that the announcement would not be interpreted to mean that all countries would lose their overflight rights. It was seen as a move strictly against Britain.

The *Financial Times* reported on November 14 that Air Canada had earlier in 1986 doubled the frequency of its flights to Bombay and Singapore, but that the airline had claimed that its traffic accounted for less than 5 percent of total traffic between London and Bombay and less than 2 percent on the London-Singapore run. The London paper also reported that if Canada were to withdraw from the IASTA, Canadian overflight rights would have to be renegotiated bilaterally by each of the other countries involved, but that it was "widely expected . . . that the two sides will settle their dispute within the next year."

On November 13, the day after the Canadian announcement, the British Transport Department issued a "veiled warning" (*Globe and Mail*, November 14) that it would be ready to retaliate against any move by Canada to block its airspace to British aircraft. However, a spokesman for the British government said, "We still have plenty of time in which to get talks going with Canada. The current air service agreement doesn't expire until next year, so there's a lot more time to do talking."

An Air Canada statement endorsed the Canadian government's action, calling it "regrettably necessary to protect important Canadian air travel services. . . . Canada will not sit still for unilateral action by other countries to reduce rights awarded under a negotiated agreement."

A British Airways official refused to comment on the dispute, citing severe restrictions arising from the airline's scheduled privatization early in 1987.

Ethiopia

New Ambassador Takes Post

Canada's new ambassador to Ethiopia, David MacDonald, left for Addis Ababa on October 10. The Ambassador's mandate included frequent commuting to Canada to promote African aid and maintain contact with Canadian volunteer groups. A special budget, coming from CIDA and the Department of External Affairs, would allow Mr. MacDonald to keep a staff in Canada.

Mr. MacDonald said that part of his new job would be as "cheerleader" for famine relief. The rebuilding process in Ethiopia would include an increase in bilateral aid to the government of Ethiopia, which Mr. MacDonald said would be "something of an experiment," and an enhanced relationship with the Organization of African Unity, whose headquarters were in Addis Ababa (*Globe and Mail*, October 11).

France

Fishing Dispute

Canada's 1977 proclamation of a 200-mile fishing zone off the coast of Newfoundland, and France's subsequent claim of a maritime zone of its own, about the size of Nova Scotia, for its islands of St. Pierre-Miquelon off Newfoundland's south coast, led to a dispute during this 2-month period.

Canadian officials said that France was plundering the stocks of fish in the area, thus breaking several terms of a fishing agreement with Canada, and depriving the fishermen of Newfoundland and of St. Pierre-Miquelon of fish on which both groups depended for their livelihoods.

Canada's Minister of Fisheries Thomas Siddon said on November 6 that Canada was "worried about the French fleets, but not the vessels from St. Pierre-Miquelon. . . . Fishing by vessels from metropolitan France must be stopped. . . . I'm sure that St. Pierre-Miquelon is as worried about French overfishing as we are."

Bernard Pons, the French minister of overseas colonies, threatened to cancel a number of Canada-France economic and cooperative agreements if France did not get its way in the dispute (*Globe and Mail*, November 7).

On November 13 the *Globe and Mail* reported that Cabinet letters obtained by The Canadian Press indicated that Canadian negotiators would give top priority to domestic fishermen in the dispute, while trying not to scuttle relations with France. A June letter from Mr. Siddon to Prime Minister Brian Mulroney said that the matter was complicated by the fact that the European Community (EC) was trying to have the northern cod stock off Newfoundland and Labrador (in purely Canadian waters on the other side of St. Pierre-Miquelon) placed under international management, the report said. Mr. Siddon also said, according to the report, that the objective of a 1972 treaty between Canada and France had been to gradually eliminate fishing in the gulf by continental French vessels and to reallocate the fish to Canadians. But he said he was concerned that the French would try to take the former allocations of continental vessels and apply them to boats from St. Pierre-Miquelon, the report added. At stake were at least 17,500 tonnes of fish previously allocated annually to France, worth \$33 million on the US market, and about 450 potential jobs in the gulf fishing region, the report said.

The two countries held talks for three days in St. John's, and at the end of the negotiations on November 15, Robert Applebaum, who led the Canadian delegation, said that arbitration appeared to be the only means to settle the dispute. Canada had tried to negotiate for a 12-mile boundary around St. Pierre-Miquelon, but Mr. Applebaum said, "It is not possible to negotiate" it with the French. "They realized they could step into this area without policing, no matter what was on the books. So they went there, they've been fishing and they've been escalating steadily." Stressing that the case would not be resolved in the International Court of Justice before four years had elapsed, Mr. Applebaum warned that by then the resources at stake could be exhausted. The issue was expected to be discussed by

Prime Minister Mulroney and French Prime Minister Jacques Chirac during a January 15 meeting. And while Gilles Theriault, president of the Maritime Fishermen's Union, said the French had made it clear that more than cod was at stake, Mr. Applebaum said that "we're not here to barter cod for cultural agreements." He added that "the fish is going to settle the matter for us because we're going to destroy the stock" (*Globe and Mail*, November 17).

On November 26 Mr. Siddon said that the French negotiators were trying to redeploy the metropolitan French vessels outside the gulf and to retain their 1972 treaty cod entitlement off the northeast coast of Newfoundland and Labrador. The other French demand, the Minister said, was that the St. Pierre-Miquelon fleet be allowed an increase in their annual entitlement by about 3,000 tonnes. The total quota the French had claimed for the islands' fleet in the gulf amounted to about half of what the metropolitan fleet had been taking in the gulf, leaving only the rest for Canadian gulf fishermen, he said.

In the same statement, the Minister warned that, while the French metropolitan fleet continued to fish in the gulf at high levels, the Canadian government could not guarantee the conservation of fish stocks in the area. "We can try to persuade the French to reduce their fisheries in this area, but we cannot control these fisheries," he said.

As far as the negotiations with France were concerned, the Minister said, "We have offered the French substantial allocations of fish in Canadian waters on an interim basis, pending a boundary determination" (Fisheries and Oceans communiqué, November 26).

Japan

Automobile Parts

In early November, as the first Canadian-made Japanese automobiles left the new Honda assembly line in Alliston, Ontario, the head of the Japanese Automobile Manufacturers Association of Canada said that Japanese automakers would continue to resist Canadian demands that they quickly increase their purchases of Canadian-made parts. Susumu Yanagisawa said after meeting with Canadian government officials that it would take a long time for Canadians to learn how to build parts to Japanese standards. "If one of them is a defective part, then you end up producing a lemon car" (*Ottawa Citizen*, November 5). Mr. Yanagisawa added, however, that most Japanese car-makers locating plants in Canada hoped to increase their parts purchases in Canada to meet the 60 percent Canadian content level required under the Auto Pact to obtain duty-free entry for their imports.

While the Japanese have continued to call for elimination of the import restriction (this year their share of the Canadian car market has been limited to 21 percent), Canadian officials continued to argue that the limits were required to protect the domestic automobile industry. Mr. Yanagisawa released figures which showed that Japanese sales accounted for only 17.8 percent of the market during the first half of 1986, while the US share was 71 percent.

Grant Wilson, chairman of the Automotive Parts Manufacturers Association of Canada, said before leaving on

his latest mission to Japan in early November that "We appreciate the Japanese investment. We don't appreciate the parts imports. . . . If I find out that I'm getting lip service [from the Japanese], I'm going to be pounding on Ottawa's door pretty heavily" (*Globe and Mail*, November 6).

The president of Ford of Canada, Kenneth Harrigan, expressed his fear that by 1990 Ford would be forced to close its Oakville, Ontario plant because of the excess production of automobiles by Asian plants opening in Canada. Mr. Harrigan said that for every 1,000 vehicles that Ford produced in Canada, the company employed twenty-three workers, while the Asian companies were expected to employ eleven per 1,000 vehicles. Canadian industry and union leaders were reported to be "attacking the federal government for allowing more imports into Canada and for its failure to require Asian transplant assembly plants to make commitments to have 60 percent Canadian content to create jobs in the parts sector." Canadian Auto Workers President Bob White said, "The government is allowing token assembly plants by the Japanese to be built in Canada, but with no commitment to Canadian content such as trim, transmissions and engines" (*Windsor Star*, November 3).

Carney Visit to Japan

On November 24, the Departments of External Affairs and International Trade announced a Cabinet strategy intended to provide both leadership and coordination as provincial, business and labor sectors advanced on Japan (International Trade communiqué, November 24). The announcement came during a 6-day visit of International Trade Minister Pat Carney to Japan, a visit that followed up one by Japanese businessmen to Canada in October, during which they gave Canada "high marks as an investment destination" (*Ottawa Citizen*, November 27).

The Minister told the Keidanren seminar in Tokyo on November 25 that Canada had ample room for more Japanese investment, with only 2.1 percent of total Japanese overseas investment represented in Canada. She also said that Canada would be financing a new program to allow middle level managers from Canadian business to study business practices in Japan. "My message is plain and simple," the Minister told the seminar. "When you look toward North America . . . I would urge you to consider Canada" (*Globe and Mail*, November 26).

In a November 26 speech Ms Carney said she had stressed in talks with Japanese government leaders that Canada intended to remain a stable and competitive coal supplier to Japan and was looking for new access for its lumber exports. The Minister's aides said that Ms Carney had also stressed in meetings with Japanese ministers her support for Atomic Energy of Canada Ltd.'s efforts to introduce Candu reactors in Japan, and for the removal of tariffs on Canadian softwood lumber. The Minister touched in her speech on free trade talks with the US, expressing optimism about their outcome. Ms Carney also stressed growing fear of protectionism worldwide, but particularly in the US, and her concern with Canada's trade deficit with Japan, estimated at \$2 billion in 1986. "In light of this, I would be concerned if large Japanese trade surpluses result from

uneven access for Canada to the Japanese market. I would also be concerned if Japan undertook to resolve differences with other countries without considering Canada's interests," Ms Carney said (*Globe and Mail*, November 27).

The *Ottawa Citizen* reported on November 27 that Ms Carney had also told Japanese businessmen that free trade talks between Canada and the US would have positive results. And in a third speech, in Osaka on November 27, the Minister assured another group of Japanese businessmen that the free trade initiative with the US "complements our interest in pursuing trade development with all our overseas partners, of which Japan is the most significant" (International Trade statement, November 27).

Nicaragua

Visit Cancelled

In early November the Nicaraguan embassy announced that Vice-President Sergio Ramirez had cancelled a scheduled visit to Canada. The ambassador, Sergio Lacayo, "expressed frustration . . . at what he considers the reluctance of Prime Minister Brian Mulroney to be seen in the company of top Nicaraguan leaders." Mr. Lacayo said that the Prime Minister and External Affairs Minister Joe Clark had made declarations against US intervention in Nicaragua that were "not very vocal. . . . I think when human lives are in plight you must speak out. President Reagan must be spoken to by his allies."

External Affairs spokesman Paul Fraser said that the Vice-President's visit was to have been unofficial because Mr. Ramirez had "wanted to play it low key." The ambassador said that "the opposite" was true, but "we have never been able to have a head-of-states meeting with Canada." The best that had been offered Mr. Ramirez, he said, was an unofficial visit including a meeting in a Toronto hotel suite with Mr. Clark.

Mr. Fraser explained that Mr. Mulroney had not met with Nicaraguan President Daniel Ortega over the last year because "the agenda of the prime minister is worked out at least one year ahead of time." Mr. Fraser also said that Mr. Clark could only have met Mr. Ramirez in a Toronto hotel room because the Commons would not have been sitting at the time of his visit and Mr. Clark would have been in Toronto making speeches. External Affairs hoped new arrangements could be made that would include a visit with Mr. Clark, added Mr. Fraser (*Ottawa Citizen*, November 6).

In the House on November 6, Dan Heap (NDP, Spadina) asked the Prime Minister whether he would call on President Reagan to stop funding the Contra rebels in Nicaragua, and warn Honduras and El Salvador that Canada would cut off aid should they continue to allow their territories to be used for "these attacks of the president on Nicaragua." Mr. Mulroney responded that he would continue to call on ambassador Stephen Lewis to represent Canada independently of the US at the United Nations. Mr. Heap then asked the Prime Minister whether he would announce that he would meet with Mr. Ramirez within the

year. Mr. Mulroney replied that the "Government of Canada . . . has constantly been available to meet with leaders from all walks of political life," and that he did not know that he had to dispel any rumor that he had snubbed Mr. Ramirez in order not to displease Mr. Reagan.

On November 8 the *Ottawa Citizen* reported that Ambassador Lacayo was returning to Nicaragua but that both the embassy and External Affairs denied that he was doing so in protest. An embassy spokesman, according to the report, said on November 7 that Mr. Lacayo would be discussing the possibility of a future visit by Mr. Ramirez and he "wants to make sure it's official next time."

The following week officials of External Affairs met in Nicaragua with Mr. Ramirez, and were then told, according to the November 19 *Ottawa Citizen*, that Nicaragua had made a mistake in cancelling the Vice-President's visit. The report said that the Canadian officials had answered Mr. Ramirez' request to meet with him in Managua, and that they said they had worked hard on the schedule for the Vice-President's "essentially private" visit. Events had included a meeting with the Chief Justice of the Supreme Court, and Mr. Clark had given assurances that he was looking forward to discussing with the Nicaraguan leader a wide range of issues, said the *Ottawa Citizen*.

Canadian planes in Nicaragua

On October 22 the *Globe and Mail* reported that Jean Pronovost, president of Propair Inc. of Rouyn, Quebec, had said on October 20 that he had sold two DHC-4 Caribou cargo planes to "a numbered company in Panama" for between \$400,000 and \$525,000 each. He said the purchase was "a cash transaction" in accordance with Panama's laws which guarantee tight secrecy on customer transactions. Records at Transport Canada showed that one DHC-4, sold by Propair in February 1986, had had its licence shifted to El Salvador, and Mr. Pronovost said that he had sold a second DHC-4 about a month later to the same Panamanian company.

An official at the Department of Transport said that government records showed the second DHC-4 still belonged to Propair, although Mr. Pronovost said he had notified the Canadian government of the sale of the second plane.

The log book of US pilot Wallace Sawyer, who died on October 5 when his plane was shot down in southern Nicaragua, showed that the two Propair planes were linked to military operations which had taken place from US airstrips in El Salvador and eastern Honduras.

Philippines

Human Rights Appointee

Antonio Arcangel, a Toronto life insurance salesman and former supporter of ousted Philippine president Ferdinand Marcos, was appointed by Justice Minister Ramon Hnatyshyn to the Canadian Human Rights Tribunal, whose mandate was to investigate alleged offences under the Human Rights Act.

The appointment was greeted by outrage from the Committee to Advance the Movement for Democracy and Independence, a Filipino-Canadian group with anti-Marcos origins. Committee chairman Martha Ocampo said, "This really makes me question what kind of standards the Government has for the rights tribunal."

In an interview with the *Globe and Mail* Mr. Arcangel said Mr. Marcos was a compassionate man whose imposition of martial law in 1972 had been misunderstood by the media. He stressed that he was not a blind supporter of the Marcos regime and strongly believed that his appointment to the tribunal was based on the work he had done with ethnic groups in Canada and the expertise he had shown as a member of a visible minority. "Philippine politics are irrelevant to me. I'm now concerned with Canadian politics," he added (*Globe and Mail*, November 4).

In the House on November 6 Alan Redway (PC, York East) asked the Justice Minister whether he had had a chance to investigate the allegations against Mr. Arcangel. Mr. Hnatyshyn replied that he had received a telegram of resignation from Mr. Arcangel which cited "Ms Sheila Copps' (Lib, Hamilton East) unfair remarks and unjust allegations" that "have seriously impaired my ability to serve effectively as a member" of the Human Rights Tribunal.

Mr. Hnatyshyn said later that Mr. Arcangel's appointment would have been examined by a parliamentary committee, but Ms Copps said that the committee would have had no power to remove Mr. Arcangel from the tribunal. "Mr. Hnatyshyn is trying to hide the fact that he did a non-existent job of screening the applicants," she said (*Globe and Mail*, November 7).

South Africa

Sanctions

External Affairs Minister Joe Clark said on October 6 during the throne speech debate that economic sanctions "rarely work" but that they were the only way that Canada could demonstrate its disapproval of apartheid. The government five days earlier had imposed the sanctions agreed to at the Commonwealth meeting in August (See "International Canada" for August and September 1986). When asked in the House why Canada had imposed sanctions against South Africa and not against the twenty other countries it considers to have repressive regimes, Mr. Clark replied that South Africa purported "to be a country like we are. Secondly, they are the only country in the world which has racism written into its constitution" (*Ottawa Citizen*, October 7).

The same day NDP Leader Ed Broadbent said that the presence of a South African Government delegation at an international scientific conference in Vancouver "flatly contradicts government policy" (*Globe and Mail*, October 8). Mr. Clark said in the House on October 8 that the South African presence at the conference was "technically a breach" of the sanctions agreed to by the Commonwealth, but that the conference had been planned for several years. He had ordered Transport Canada to withdraw from

the meetings, he said, but CN remained in order to prevent the collapse of the conference.

Also on October 8, during a visit to Ottawa, the president of the Organization of African Unity, Denis Sassou Nguesso of the Republic of the Congo praised Canada's stand on apartheid and sanctions. "We approve the Canadian position overall; we find it positive, even courageous," he said after meeting with Prime Minister Brian Mulroney. Mr. Sassou Nguesso also said that he was not bothered by the presence of South Africa at the conference in Vancouver, that no one expected all countries to follow sanctions to the letter, and that Canadian efforts had been stronger than those of European countries with historic ties to black Africa (*Ottawa Citizen*, October 9).

On October 22 Mr. Clark said that he would investigate an apparent violation of sanctions against South Africa by the Crown-owned airline, Air Canada. A group of sixty-four passengers had originally been booked on a South African Airlines flight out of New York on November 12, but the tour operator had made alternative plans when the US had cancelled landing rights for the airline. Air Canada had then arranged for the group to fly to London aboard one of its planes and then transfer to South African Airlines for the rest of the journey to Johannesburg, the *Ottawa Citizen* reported on October 23. Air Canada spokesman Denis Couture said that Air Canada had known that the group was heading for South Africa. "As a public carrier, we do not have the right to refuse any passenger who wants to go from Toronto to London," he said.

The *Ottawa Citizen* also reported that the tour was the same one whose advertisement in the *Globe and Mail* had caused Mr. Clark to demand the closing of the South African Tourism Board. Mr. Clark had said the ad was a deliberate attempt to flout the ban on tourism promotion by calling the trip a "fact-finding tour" to South Africa.

On October 24, Mr. Clark told the House that "Air Canada did not, in fact, act in any way that undermines the sanctions policy of the government of Canada," after he had investigated claims that the airline had done just that. However, said the Minister, Air Canada's lawyers were trying to determine the airline's obligations under international regulations. Air Canada had ended its general sales agency with South African Airlines in Canada and with a private agency in South Africa that week, he added, and had promised not to act for South African Airlines when the company, as ordered by the federal government, closed its Canadian offices the following week.

In early November British Columbia Premier Bill Vander Zalm announced that he would be meeting with South African ambassador Glenn Babb in Victoria. After the November 7 meeting, Mr. Vander Zalm said that he wanted to help South Africans with trade rather than injure them with sanctions. "I think it would be good for both countries if we did business," the premier said. "I don't believe in sanctions" (*Globe and Mail*, November 8). When he announced a sale of prefabricated houses to South Africa worth "hundreds of millions of dollars" was being negotiated, Mr. Clark said, "So long as the law allows trade, the premier of British Columbia is free to pursue that. . . . On the fundamental policy question, I think he's wrong" (*Ottawa Citizen*, November 12). The sanctions package which Canada and other Commonwealth members had

agreed to in August did not include lumber exports.

On November 11 Statistics Canada released figures which showed that Canada's imports from South Africa rose almost 50 percent between July 1985 and August 1986. A spokesman for External Affairs said that no conclusions could be drawn from the figures, since they dealt with trade during a period of voluntary sanctions only.

Later in November Falconbridge Ltd. announced its intention to buy back a 24 percent interest in Western Platinum Ltd. of South Africa. Mr. Clark issued a statement on November 19 expressing "regret" at the Falconbridge decision, and warning that a voluntary ban on investment in South Africa could become a mandatory one if companies refused to comply (*Ottawa Citizen*, November 20).

On November 20, Bata Ltd., one of the world's largest shoe manufacturers, announced that it was pulling out of South Africa. The Canadian-owned company refused to term the decision a reaction to apartheid. Secretary Basil Baker said that there was no single reason for Bata to sell its South African operations, and that the government had not been consulted in the matter. (*Globe and Mail*, November 22). South African ambassador Glenn Babb blamed the Canadian media and anti-apartheid groups for creating the "intellectual terrorism" which he said had made Bata decide to leave South Africa (*Ottawa Citizen*, November 22). The *Ottawa Citizen* also reported on November 22 that Basil Baker of Bata had acknowledged that the issue of apartheid had played a role in the company's decision to leave. "We're not just money people. We're people people. We just thought it was the right thing to do," Mr. Baker said. But he added that the company believed its employment practices had helped improve life for black workers and had offered the best chance for the future in eliminating apartheid. The company had said that 90 percent of its South African workers earned at least the subsistence level for households plus 50 percent more.

Sri Lanka

High Commissioner

On October 6 External Affairs Minister Joe Clark said that officials would continue to investigate allegations of human rights abuses against Sri Lankan High Commissioner General Tissa Inraka Weeratunga (See "International Canada" for August and September 1986).

In the House of Commons, Mr. Clark said that evidence collected by his department had neither proved nor disproved allegations made by Tamil refugees that the general had tortured Tamils while he was a member of the army in Sri Lanka.

Six more affidavits were filed on October 6 with the Minister's office, alleging that the general had personally taken part in the torture of Tamil prisoners in 1979. The general had repeatedly denied the allegations, but declined to be interviewed by The Canadian Press on October 6 (*Globe and Mail*, October 7).

Sheila Copps (Lib, Hamilton East) requested in the House that the allegations be investigated by the External

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Affairs Department's human rights branch. Mr. Clark responded that it would be useful for Ms Copps "to be informed of all circumstances before she raises this question and pursues it in the House or recommends a course of action that may prove very destructive, not only to Canada but also to international practices respecting *agrément*."

Syria

Bomb Plot

Britain severed diplomatic ties with Syria on October 24 after learning during the trial of Nezar Hindawi, convicted the same day of planting explosives through his girlfriend aboard an Israeli plane at Heathrow Airport, that Syrian embassy staff had been involved in the terrorist plot.

Canada recalled its ambassador to Syria, Jacques Noiseux, for consultations immediately after Britain's decision. Mr. Noiseux, along with the US ambassador to Syria, left Damascus on October 26. The US ambassador had been withdrawn.

On October 28 External Affairs Minister Joe Clark announced that Canada was contemplating breaking diplomatic relations with Syria. Opposition Leader John Turner said that "calling back the ambassador for fifteen days . . . seems to be an inadequate response in light of the Government's rhetoric and previous statements by the Prime Minister inside and outside the House that Canada would take strong diplomatic, economic and political action" against terrorism. Mr. Clark told the House that "the most important thing for us to do would be to try to encourage members of the European Community to join with us in supporting the position of Great Britain against state terrorism by elements of the Syrian Government" (*Globe and Mail*, October 28).

The European Community refused on October 27 to impose the sanctions against Syria that Britain requested (*Ottawa Citizen*, October 28).

During a visit to Ottawa on October 29, Israeli Deputy Prime Minister Yitzak Navon urged the Canadian government to take more "concrete steps" to protest the Syrian government's involvement in the bombing attempt. "I wish there would be more than protest," he said (*Ottawa Citizen*, October 30).

Finally, Mr. Clark announced on November 26 during a speech to the Canada-Israel Committee that Mr. Noiseux would be returning to his post in Damascus, carrying "a very firm message to the Syrian authorities on the unacceptability of support for, and involvement in, international terrorism." The Canadian embassy in Damascus had remained open and provided normal services during the ambassador's time in Ottawa (*Globe and Mail*, November 27).

Turkey

Embassy Murder Trail

On October 14 the first-degree murder trial of Ohannef Noubarian, Kevork Marachelian and Rafi Panos Titizian began in Ottawa. The three men were charged with the murder of security guard Claude Brunelle, who was shot dead as assailants entered the Turkish embassy in Ottawa in March 1985 (See "International Canada" for February and March 1985).

The defence called no witnesses during the trial, and the verdict of guilty was delivered on October 31 after the jury deliberated for more than eight hours over two days.

Ontario Supreme Court Judge David Watt told the jury that their verdict was "most reasonably justified." Before being sentenced, Mr. Nabourian told the court through an interpreter that "Individuals are mortal but the Armenian nation lives, and as long as it lives it will demand its rights." Mr. Justice Watt sentenced the three Armenian men to life in prison without eligibility for parole for twenty-five years (*Ottawa Citizen*, November 1).

The *Ottawa Citizen* reported on November 10 that the conviction would be appealed by defence lawyers on "technical, legal grounds" and it might take a year before it was heard.

USSR

Shevardnadze Visit

Soviet Foreign Minister Eduard Shevardnadze paid an official visit to Ottawa from September 30 to October 3, at the invitation of External Affairs Minister Joe Clark. The visit was the first by a Soviet Foreign Minister since that of Andrei Gromyko in 1975, and was described by External Affairs as a continuation of the more active dialogue on important international and bilateral topics begun with Soviet leaders in 1984. Mr. Clark visited the Soviet Union in 1985 (External Affairs communiqué, September 8).

During Mr. Shevardnadze's visit, Canada and the USSR agreed to restore a cultural and scientific exchange program that Ottawa had suspended in 1980 after the invasion of Afghanistan. The new agreement was signed on October 30 and would cover a 2-year period, a spokesman for the Soviet Foreign Ministry said.

Also during the visit, Canada and the USSR signed a \$1 billion wheat sale contract which would cover the next five years (*Globe and Mail*, October 30).

The *Globe and Mail* reported on October 2 that officials said there was an encouraging tone to the Soviet-Canadian talks, which were dominated by arms control. They said that Mr. Shevardnadze had refrained from asking Mr. Clark to press the Americans on nuclear weapons testing. The US had detonated a nuclear device on September 30, while the USSR was keeping to a self-imposed moratorium on testing.

Officials also said that the subject of human rights was

discussed in the context of international agreements stemming from the Helsinki accords. Specific cases were left until the last day of discussions.

On the final day of Mr. Shevardnadze's visit, Don Johnston (Lib, Saint-Henri — Westmount) asked Mr. Clark in the House whether a protest had been made to the Soviet ambassador about the "harassment" in Moscow of CBC reporter Michael McIvor, whom Mr. Johnston described as a "target of a Daniloff-style setup." Mr. Clark replied that the department's "deep concern" had been registered with the ambassador, and that "every precaution that is available to us, to protect not only the safety but, more important, the rights of Canadian journalists in the Soviet Union" was being taken.

In early November, Mr. Clark commented in Vienna, at the beginning of the Conference on Security and Cooperation in Europe (CSCE) that Mr. Shevardnadze had displayed during his visit to Canada "a clearly different style in the approach by the Soviets to human rights questions. . . . This [CSCE] may provide some opportunity to see if there is substance behind the style" (*Globe and Mail*, November 4). Mr. Clark later criticized vigorously the abuses of human rights in the Soviet Union, and said, "So far we have seen dramatic changes in style but not much more" (*Ottawa Citizen*, November 6).

Soviet Army Deserters

On November 22 the *Globe and Mail* reported that five Soviet army deserters had been "spirited out" of Afghanistan by the Department of External Affairs, and had arrived in Canada. The five soldiers had been held captive by Afghan resistance fighters for three years.

Special ministerial immigration permits had been issued to the Soviets, the report said. The soldiers had

asked for asylum in Canada, and efforts had continued since July 1984 to release the men. An External Affairs attempt in the summer of 1985 had been dropped because of tactical problems.

The Soviet embassy said that they received formal notice of the release on November 22. The press attaché said that using the men for anti-Soviet propaganda could create a serious diplomatic rift between Canada and the USSR (*Globe and Mail*, November 24).

However, External Affairs Minister Joe Clark said on November 24 that he hoped the Soviets would understand the mission to release the soldiers as a strictly humanitarian one. "There is some risk [of harming relations]," he said. "But that was among the factors we considered when we took the decision, and we decided it was more important for us to undertake this action" (*Globe and Mail*, November 25).

In their first public appearance, the five Soviet soldiers stated that, Soviet denials notwithstanding, atrocities had been committed against Afghan civilians, and that they had all seen them. They also said that their former comrades in the Soviet army were not eager to fight in the Afghanistan war (*Ottawa Citizen*, November 26).

A *New York Times* report on November 23 quoted one of the soldiers as saying that he was "extremely bitter over the lies he was told over the war and being dragged off to fight." The report added that the soldiers would face execution if they returned to the Soviet Union.

But on November 26 the *New York Times* reported that the soldiers had said that they were told by Soviet diplomats that they could go home without penalty. They had chosen, however, to stay in Canada. "It didn't matter what was said," said one of the deserters, Igor Kovalchuk. "The fact is that we have waited for this for six years."

Multilateral Relations

ASEAN

Canada-Malaysia Conference

External Affairs Minister Joe Clark delivered the opening address to the Canada-Malaysia Conference held in Ottawa from October 7 to 9. In his remarks, Mr. Clark stressed the importance of trans-Pacific immigration to Canada, of Canada's trans-Pacific trade, which exceeded trans-Atlantic just two years ago, and of ASEAN's role in

developing cooperative ventures in areas such as oil and gas, telecommunications and minerals.

The Conference stressed the economic aspects of relations with Malaysia, Canada's most important two-way trading partner in ASEAN. In 1985 Canadian exports to Malaysia totalled \$204.3 million against \$146 million in

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Pacific Rim Conference

On November 16, at the Fifth Pacific Economic Cooperation Conference (PECC V) in Vancouver, External Affairs Minister Joe Clark pursued the theme of trans-Pacific trade. Citing Canada's deliberate entry into free trade negotiations with the US and the dismantling of the Foreign Investment Review Agency, the Minister stressed Canada's wish to enhance Pacific Rim relations. "Certainly Canada intends to recruit many new people to the cause of our Pacific relations," he said, "and to continue to enlarge the ranks of government, academics, business leaders and commentators to whom the Pacific is a Canadian priority" (External Affairs statement, November 21).

The outcome of PECC V was called a "historical accord" (*Globe and Mail*, November 20). It was a statement which Eric Trigg, chairman of the Canadian National Committee of PECC V, called "very carefully stated motherhood." Similarities in the economies of Canada and her Pacific Rim neighbors were becoming clearer as PECC V moved the representatives past the "getting-to-know-you" phase, said Mr. Trigg. Dr. Duck-Woo Nam of Korea told the conference that protectionist measures by the US might spill over from Japan to other Pacific countries, causing global trade to become segmented into self-sufficient blocs and leading eventually to a return to a depression like that of the 1930s.

Participating in the conference were business, academic and government representatives from thirteen countries, including the US, Taiwan, China, Korea, Malaysia, Australia, Brunei, Indonesia, Japan, the Philippines, Singapore and Thailand.

GATT

Canada Protests US Surtax

The *Globe and Mail* reported on October 28 that Canada's ambassador to GATT, Alan Beesley, had addressed the GATT council the previous day to protest the US surtax on imports. Mr. Beesley accused the US of a "retrograde step at a time when we are seeking to liberalize trade." The ambassador also addressed the issue of a US levy on oil and related products, which financed a program for toxic waste cleanup, saying that the levy discriminated against imports under a GATT rule. The European Community expressed support for Canada's position, saying it doubted the tax conformed to GATT, while the US representative called the levy "a modest fee," the report said. The GATT council took no action on either issue.

United Nations

Mulroney Visit

Prime Minister Brian Mulroney paid a visit to the UN on October 24, the forty-first anniversary of the organization.

In a meeting with UN Secretary General Javier Perez de Cuellar, the Prime Minister discussed the financial crisis of the UN and its plans for African economic recovery (*Le Devoir*, October 24).

Speaking to reporters after the meeting, Mr. Mulroney said, "We feel it is unseemly for the United Nations to have to go around with a tin cup, and we're not going to allow it." The Prime Minister referred to the holdback by the US of more than half of its UN commitment, as well as to the routine holdbacks of a number of other countries, especially from the Eastern bloc. In urging these countries to pay their dues, the Prime Minister also said Canada was "ready to do more" to help the UN through its financial crisis (*Globe and Mail*, October 25).

UNESCO Kalinga Prize

On November 13 the Canadian Commission for UNESCO announced that Dr. David Suzuki of Vancouver was the co-recipient, with Dr. Nicolai Basov of the Soviet Union, of the 1986 UNESCO Kalinga Prize. The Prize, established in 1951 by UNESCO on the basis of a grant from the Kalinga Foundation Trust of India, is awarded annually to a distinguished communicator of science issues who has helped to interpret science, research and technology to the public. The winner must also have conveyed the importance of science in improving public welfare and in solving some of the problems facing humanity.

A renowned geneticist, Dr. Suzuki has made radio and television programs such as "The Nature of Things," "A Planet for the Taking," and "Quirks and Quarks." He became the second Canadian to receive the Kalinga Prize: Fernand Séguin of Montreal received it in 1977. Other recipients have included Margaret Mead, Bertrand Russell, David Attenborough and Julian Huxley.

The UNESCO communiqué said that Dr. Suzuki would receive the award, which included a trip to India and £10,000, later this year at a ceremony in India.

Verification of Arms Control Agreements

On November 14 External Affairs Minister Joe Clark announced that again this year a Canadian-sponsored resolution on the role of verification in arms control agreements was adopted by consensus in the UN First Committee, which deals with arms control and disarmament and international security questions. The success of the resolution followed upon that of 1985, when Canada successfully promoted the first-ever UN resolution to recognize the importance of verification of compliance with arms control and disarmament agreements.

Mr. Clark said that the 1986 resolution attracted twice the number of co-sponsors as previously, including Eastern European, Western and non-aligned states.

The Minister emphasized that the resolution would give further impetus to the consideration of verification by the UN, by referring the subject to the UN Disarmament Commission, a deliberative body which would be expected to draw up principles, provisions and techniques to encourage the inclusion of adequate verification provisions in arms control and disarmament agreements (External Affairs communiqué, November 14).

Sevigny Appointment

On November 27 the *Ottawa Citizen* reported that Thérèse Sevigny, vice-president of communications for the CBC, had been named by UN Secretary General Javier Perez de Cuellar as undersecretary general of the UN public information department, effective March 1.

Ms Sevigny and Margaret Anstee, named as head of the UN's Vienna office, would thus become the highest-ranking women in the UN civil service.

Ms Sevigny's department would have about 500 employees and a 2-year budget of about US\$30 million, the report said. "It is important that the world know there is a place for women in this organization," said Ms Sevigny. "It's too bad these international organizations waited so long."

Earlier in November, Canada's Ambassador to the UN, Stephen Lewis, had told a gathering of women's councils in Toronto that the UN was "the last unfettered bastion of unfettered male privilege," and that none of the twenty-five top appointments made in the last year had gone to women (*Globe and Mail*, November 4). He was further reported later in the month that Canada had, at the request of Mr. Perez de Cuellar, nominated a woman for the undersecretary post (*Ottawa Citizen*, November 22).

Nansen Medal

On October 6 the UN High Commissioner for Refugees, Jean-Pierre Hocke, announced in Geneva the award to the Canadian people of the 1986 Nansen Medal, in recognition of their past and present roles in protecting and providing assistance to refugees fleeing persecution around the world.

On November 13, Governor General Jeanne Sauvé received the medal on behalf of all Canadians.

The medal was named for Norwegian scholar and explorer Dr. Fridtjof Nansen (1861-1930), winner of the 1922 Nobel Peace Prize and a predecessor of Mr. Hocke's. It entailed the creation of a special refugee assistance program, which the Canadian government was to discuss with Mr. Hocke.

In announcing the award, the High Commissioner praised the Canadian people for their "humanitarian impulse which lies behind the welcome traditionally extended to refugees." He noted that Canada had accepted more than 129,000 refugees between 1979 and 1984 (*Globe and Mail*, October 6).

Nicaragua Resolution

On November 3 Canada voted with ninety-three other members of the UN General Assembly in support of a resolution by Nicaragua calling on the US to comply with a World Court verdict in June against the US.

The World Court verdict, which resulted from a complaint brought by Nicaragua, found that the US had broken

international law and violated Nicaraguan sovereignty by aiding the rebels in Nicaragua.

The resolution, which asked for a "full and immediate compliance" by the US with the ruling, was voted against by the US, El Salvador and Israel. Forty-seven other members, including Britain, France and West Germany, abstained.

Stephen Lewis, Canada's Ambassador to the UN, said Canada voted with the resolution "because of our commitment to the World Court. The decisions of the court should be honored." Mr. Lewis added that the vote was a "logical reflection" of Canada's long-standing differences with US foreign policy on Central America.

However, Canadian representative Charles Svoboda, in explaining Canada's vote to the General Assembly, voiced Canada's concern in two regards: that the resolution pointed only to the US, and failed to mention other countries, including Nicaragua, who were involved in intervention; and also that Nicaragua's own judicial standards failed to meet those of the World Court.

In Washington, US State Department officials had no immediate reaction (*Globe and Mail*, November 4).

African Recovery

Stephen Lewis, Canadian Ambassador to the UN and special adviser to the Secretary General on African recovery, said on October 21 that the response of Western nations to the UN's 5-year program for African economic recovery was uncertain. He had just returned to the UN after a North-South conference in Stockholm and a meeting of African planning ministers in Addis Ababa.

Mr. Lewis said that the World Bank had forecast US\$8.5 billion in aid to Africa over the next five years, and that this figure fell US\$2.5 billion short of what the UN plan had said would be needed in international aid to make the recovery program work.

As far as the African countries' commitment to recovery was concerned, Mr. Lewis said, "These countries, not all but a great many, are moving heaven and earth to put their economies back on their feet — economies that are decimated. . . ." He said that many of the African countries had begun cutting government spending, laying off public servants, devaluing currency and putting up to one-quarter of their budgets into agricultural development. But countries such as Zambia, where half the export earnings went to service a US\$5.6 billion debt, were wondering how they could achieve recovery without more debt assistance from the West, Mr. Lewis said (*Ottawa Citizen*, October 22).

On October 22, Canada's Minister of State for External Relations, Monique Landry, expressed similar thoughts in a speech to the UN General Assembly. Donor countries must help African recovery by offering increased support and flexibility on such issues as African debt, the Minister said. Canada was providing more than \$900 million in money, goods and services to Africa this fiscal year, she said, and was prepared to extend its moratorium on debt repayments by countries south of the Sahara until the year 2000 (*Ottawa Citizen*, October 23).

Lewis Denounces USSR

In two November speeches, Canada's Ambassador to the UN denounced policies of the Soviet government. Stephen Lewis told the General Assembly on November 5 that the USSR exhibited a "sickness equivalent to depravity" in its war against Moslem rebels in Afghanistan, and asked, "What revolutionary fruitfulness transforms an entire country into a killing-field?"

Mr. Lewis delivered his remarks just before the assembly voted, for the eighth time, in favor of a resolution calling for the withdrawal of Soviet troops from Afghanistan. He dismissed the publicized Soviet withdrawal of six regiments as a token step and ridiculed statements by Soviet Foreign Minister Eduard Shevarnadze to the assembly in September (*Ottawa Citizen*, November 6).

In a November 25 speech, described by the *Globe and Mail* as "blistering," Mr. Lewis again attacked the Soviet Union, this time on its record of human rights abuses. Maintaining that there was no inconsistency in attacking the Soviets in this regard, even while Canada was trying to form better ties with them, the Ambassador said that while the USSR was not subject to investigation of human rights abuses, there was still ample evidence of oppression, both internally and in the "obscene war of

occupation and liquidation" in Afghanistan" (*Ottawa Citizen*, November 26).

The wide-ranging attack on human rights abuses by the Ambassador also included Nicaragua and El Salvador (*Globe and Mail*, November 26).

Reforms

In an interview on November 1, Canada's Ambassador to the UN expressed hope that earnest efforts by the organization to reform its administrative "miasma" might rescue the UN from its financial crisis.

Stephen Lewis also said, however, that US hostility to the UN, reflected in the holding back of fees, was a "terribly serious business" that might not be resolved by any amount of internal UN reform (*Globe and Mail*, November 1).

The Ambassador's basic optimism about the UN's future had been expressed the previous evening, however, in a speech in Montreal. He said that he had seen significant progress during his two years at the UN in such areas as arms control, African famine, and apartheid. On the last issue, Mr. Lewis said that he had been "very proud of Canada's role" (*The Gazette*, October 31).

Policy

Terrorism

Passports

The Minister of External Affairs announced on November 27 that it would be possible for Canadians to obtain passports that did not indicate their place of birth. The decision was taken in response to the concerns of some citizens, who were born outside Canada, that their place of birth made them vulnerable to terrorism. Those Canadians who chose not to have their place of birth shown on their passports were alerted to the fact that they might have difficulty entering some countries (External Affairs communiqué, November 27).

Culture

International Cultural Relations

On November 19 the Minister of External Affairs announced that the funding level for international cultural relations (ICR) programs would be doubled over the next

four years. Mr. Clark pointed out that the broad range of ICR programs included the arts, academic relations (including Canadian studies), sport, and exchanges of persons. The department was particularly interested in raising awareness of Canada by the US, Japan, other Asian countries and Europe, said Mr. Clark. "Just as individuals deal more openly and regularly with those they know, so countries cooperate more willingly with those countries they know and respect," he explained.

The program would be managed by the department, on advice from specialists in government departments and cultural agencies, and in consultation with arts, academic and sport organizations (External Affairs communiqué, November 19).

Fishing

Increased Fines

Fisheries and Oceans Minister Tom Siddon announced on November 17 that foreign fishing vessels found guilty of fishing illegally within Canada's 200-mile

zone would soon face much higher potential fines: the fine for summary conviction would go from \$25,000 to \$150,000, and the fine for indictment from \$100,000 to \$750,000. "The fines will be increased so substantially that it will no longer be profitable to steal from the Canadian fishing industry — these fines are a very positive deterrent," the Minister said.

The announcement carried the full support of provincial fisheries ministers, Mr. Siddon said (Fisheries and Oceans communiqué, November 17).

Countervail Duty to be Appealed

The Fisheries Council of Canada (FCC) decided to appeal the US Department of Commerce finding that Canadian whole groundfish exports were unfairly subsidized. The decision led to a 5.82 percent countervail duty, which would be eliminated should the appeal before the US International Court be successful.

Documentation and evidence would be submitted in early 1987 (Fisheries Council of Canada bulletin, November 1986).

Customs

Searches Unconstitutional

District Court Judge F.E. Dunlap of Brampton, Ontario ruled in October that legislation permitting customs agents to search people entering Canada violated the constitutional guarantee against unreasonable search and seizure. The decision struck down two search-and-seizure sections of the Customs Act that would permit intrusive strip searches on flimsy pretexts.

It was not known whether the Crown would appeal Judge Dunlap's decision (*Globe and Mail*, November 26).

Aid

El Salvador

A noisy demonstration by about 200 Salvadorans and their Canadian supporters on October 30 was aimed at ending the Canadian government's \$8 million aid program to El Salvador (*Ottawa Citizen*, October 31). Outside the US embassy, Michael Cassidy (NDP, Ottawa Centre) shouted to an absent US ambassador Thomas Niles, "The countries of Central America don't want to be banana satellites of the United States of America." At External Affairs, six demonstrators spoke to officials and left a letter containing almost 2,000 signatures for External Affairs Minister Joe Clark.

In Edmonton on November 27, a Salvadoran farm workers' union leader said that Canadian aid was not reaching the disadvantaged people it was intended for. Omar Ramirez, who was representing local governments

set up in guerrilla-held territories, was in Canada to enlist support for the rebels fighting the Duarte regime. The report said that Canada's aid was in the form of fertilizer which was to be sold, with the proceeds made available to the peasants, but that Mr. Ramirez had said it would "reinforce the aid that's coming from the United States and will help continue development of the war. . . . It will help them capture and massacre even more Salvadorans" (*Edmonton Journal*, November 30).

Nicaragua

At public hearings by the Commons committee on foreign aid in Montreal, United Church spokesman Chris Ferguson said that Canada should increase its aid to Nicaragua and denounce US involvement there. Mr. Ferguson said the \$28 million aid program is "too modest," and that Nicaragua has proved that it makes good use of the aid Ottawa sends (*Globe and Mail*, October 23).

Philippines

On October 21 External Relations Minister Monique Landry announced a pledge of \$100 million in aid to the Philippines over the next five years. "Canada responded quickly to offer support for the new government of Mrs. Corazon Aquino," the Minister said.

The federal government's aid contribution to the Philippines was \$500,000 in 1985, the report said. The new aid program was designed to promote private sector trade and agricultural and industrial development, especially in rural areas, it added (*Ottawa Citizen*, October 21).

Haiti

In Haiti on November 25, External Relations Minister Monique Landry announced a program of \$80 million in aid over the next five years. The Minister, on an official visit, said that this aid represented the wish of Canada to help the people of Haiti in their efforts towards achieving democracy. The report said the aid would take the form of industrial cooperation and the financing of certain projects by non-governmental organizations (*Le Devoir*, November 25).

Africa

Le Devoir reported on October 10 that David MacDonald, newly appointed ambassador to Ethiopia (See Bilateral — Ethiopia, above) might be granted status by the Organization for African Unity (OAU) as "ambassador" from Canada. The appointment would be the first of its kind for a non-member country, and Canadian officials were said to be thinking of the example of the European Economic Community (EEC).

Prime Minister Brian Mulroney had taken advantage of the visit to Canada by acting OAU president Denis Sassou Nguesso to press the wish of Canada to have Mr. MacDonald in this special position. External sources were quoted as saying that the ball was now in the OAU's court, and Mr. Nguesso was said to be "happy" with Canada's taking this initiative.

The report credited Canada's efforts against apartheid, success in famine relief in Ethiopia and the

Sudan, announcement of a moratorium on debts of African countries, and establishment of the aid program "Africa 2000" with the highly favorable image Canada had gained in Africa.

On October 28 *Le Devoir* reported that Canada was one of the few industrialized countries absent from an African aid program established by the International Fund for Agricultural Development (IFAD). As part of African recovery, the UN agency was seeking a further \$120 million (of a total of \$300 million) for a small-scale project in aid of traditional production. While Canada made the required financial contributions to the activities of the IFAD, it had never contributed to its African project.

The president of the IFAD, Idriss Jazairy, said that he found the situation surprising, given Canada's leadership role in helping poor countries. "I have to ask myself what we've done wrong," he said. Margaret Catley-Carlson, president of CIDA, said that she thought Canada was far from dragging its feet in African aid. In fact, she said, Canada was one of the leaders in African aid over the past years. But, she added, other means besides IFAD projects had always been used.

The *Ottawa Citizen* reported on November 18 that two African politicians had visited with CIDA officials as well as with External Relations Minister Monique Landry in an attempt to get Canada involved in the military defence of southern African transport corridors and other key economic projects. Peter Mmusi, vice-president of Botswana and chairman of the Southern African Development Coordinating Conference (SADCC), and Dr. Simba Mukoni, SADCC executive secretary said they were not yet asking Canada for troops, the report said, but "we would be very glad to accept them," should they be offered.

External Affairs Minister Joe Clark ruled out direct Canadian military involvement in southern Africa in a speech to the Commons earlier in 1986, the report added, but Canada was involved in fifteen SADCC development projects. CIDA had been waiting for SADCC to outline further possibilities for assisting the Front Line States, and Mr. Mmusi said they hoped Canada would get involved in upgrading more of the vital transport corridors which SADCC hoped would some day replace shipping through South Africa.

CIDA officials had called the military overture "a new one" and had pointed out that such activity was beyond CIDA's mandate.

The *Toronto Star* reported on November 24 that \$29 million in railway rails and other supplies was being shipped in January as part of a \$45 million CIDA project to rebuild Mozambique's railway line from the Indian Ocean port of Nacala, frequently closed down by South African-backed rebel attacks. "It's one of the five corridors identified as being crucial to improving transportation in the region and decreasing excessive reliance on South Africa," said Steven Gibbons, a CIDA spokesman.

The report said that rebel attacks persisted even on the line that Canada was helping other countries to rebuild. Peter Mosley of CIDA said that rebel activity was "part and parcel of doing business in southern Africa at the moment. . . . There's a high security risk attached to anything. . . ."

Committee Hearings

The Commons committee on foreign aid heard from a provincial umbrella group in Saskatoon that Canada should double its aid to Third World countries. The Saskatchewan Council for International Co-operation, representing thirty-three church and other voluntary organizations, said that aid should reach \$5 billion by 1990.

When challenged by committee member Bill Lesick (PC, Edmonton East), Council president Allan Scholz said, "As a farmer and person in Western Canada, I'm concerned about the long-term development of agriculture in Western Canada and that means developing markets overseas. We have to help the people in Third World countries who are potential consumers of the goods we produce."

The Parliamentary committee was expected to report in May after holding hearings in eight cities across Canada and touring Canadian aid projects in Africa, Asia and Latin America (*Regina Star-Phoenix*, October 29).

Trade

Arms Exports

On November 17 the *Globe and Mail* reported that Pratt and Whitney Canada, Inc., a subsidiary of the US firm United Technologies Corp., had sold helicopter parts to Iran in late 1985. A spokesman for Pratt and Whitney, Pierre Henri, said in a radio interview that "we have received an export permit from the federal government in Ottawa and also the order was cleared with the American government. Therefore we have proceeded to ship parts for commercially crafted helicopters, not for military helicopters. . . . We were convinced, and so was the government, that the parts were to be used in several helicopters, not for military purposes."

The issue arose shortly after US government shipments of arms to Iran were revealed. The sale of military equipment to any country involved in armed conflict would contravene Canada's export controls policy (See "International Canada" for August and September 1986).

The *Ottawa Citizen* reported on November 18 that Pratt and Whitney's July 1984 catalogue listed only two Bell 212 civilian-use helicopters in existence in Iran. In contrast, the catalogue listed 186 "military" helicopters using the same the same engine assembly as the Bell 212. The company had told the government that the parts were to be used on Bell 212 machines, the report said, and Deputy Prime Minister Don Mazankowski told the House on November 17 that the government had taken Pratt and Whitney's word that the parts were intended for civilian-use helicopters. Thus ministerial approval for the shipment had not been required under law.

On November 18, Mr. Mazankowski said in the House that Pratt and Whitney had agreed "voluntarily" to stop shipments of helicopter parts to Iran until the government

had determined how the parts were being used. External Affairs Minister Joe Clark had spoken directly to the company president, he added.

Mr. Clark said on November 20 that Pratt and Whitney had been ordered to provide end-user certificates for any future helicopter parts sales to Iran. The Minister added that export controls might have to be tightened, since parts intended for civilian helicopters could also be used in military helicopters (*Globe and Mail*, November 21).

The Minister also said on November 21 that the parts "might have been diverted to military use" in the war

against Iraq, and that External Affairs was calling in the Iranian chargé d'affaires to try to clarify the matter (*Ottawa Citizen*, November 22).

Finally, later in November, Mr. Clark said that he was studying revelations that US officials had used money from Iranian arms sales to fund the Contras in Nicaragua. The Minister said on November 26 that the government still saw no link between secret American arms deals and the Pratt and Whitney helicopter parts shipment in 1985 (*Ottawa Citizen*, November 27).

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not only the maintenance of adequate military strength and political solidarity for deterrence and defence. They also include the search for progress towards a more stable relationship in which underlying political issues between East and West can be solved. This duality of purpose lies at the heart of the famous Two-Track Decision of 1979.

So then, in reflecting on what Canada can do to promote a more secure world at lower levels of arms, we begin from the fact that Canada belongs to NATO freely and this choice, in fact, strengthens our voice in the collective development of a variety of security measures, including arms control. There are other areas and opportunities for Canada to pursue its interests in this field. For instance, in certain issues such as intercontinental nuclear strategy Canadian interests are obvious and direct. This fact gives us a

legitimate claim to have our views taken into account. In other areas our expertise is recognized internationally, such as in the negotiation of a global ban on chemical weapons, outer space issues and verification.

Progress may be agonizingly slow in striking the correct balance at lower levels of arms. If there is to be progress, however, we must not lose sight of our purpose. Arms control is not an end unto itself. Nor is military defence. Each must serve, in its own way, the search for improved security and, accordingly, each must be understood as a complementary element of national security policy. At the same time, arms control and defence policies must move in harmony. Neither can be allowed to upset the balance that is necessary if the processes of conflict resolution are to be allowed to flourish. □

Living on oil
Succession of leaders

Nigeria — the busted boom

by Mohammed Adam

Nigeria could well be described as a country of lost opportunities. Once upon a time, Nigerians used to think of their country as the dominant black nation in Africa. South of the Sahara Nigeria was the unchallenged leader and for many years nothing significant happened in black African politics without its involvement or knowledge. Such was the esteem in which Nigeria was held that its leader General Olusegun Obasanjo could, at the sixteenth Organization for African Unity (OAU) summit in Liberia in 1979, severely criticize President Nyerere of Tanzania, himself a man of great eminence, over his invasion of Amin's Uganda and get away with it. John Malcela, the Tanzanian Foreign Minister, could only respond weakly that his country was not arguing out of respect for the Nigerian leader!

In the leading capitals of the world, particularly in the West, Third World policymakers were constantly tuned in to the Nigerian wavelength. The viewpoint in Lagos was always the most important in Africa. This was not because of the size and population of the country, but because of its vast economic power, which it was always willing to use in pursuit of foreign policy objectives.

Early independent Nigeria

Outside South Africa, Nigeria was the West's principal trading partner south of the Sahara. It is still Canada's leading trading partner in black Africa, though most of the trade is in oil. A country that could bring a Western power

such as Britain to heel over Zimbabwean independence, Nigeria in the mid-seventies was a regional power in its own right. It had a dynamic foreign policy, the basis of which was to establish Africa as a force in world affairs. To achieve this objective, colonialism had to be completely eliminated from the continent, hence the emphasis on the liberation struggle in South Africa and Namibia.

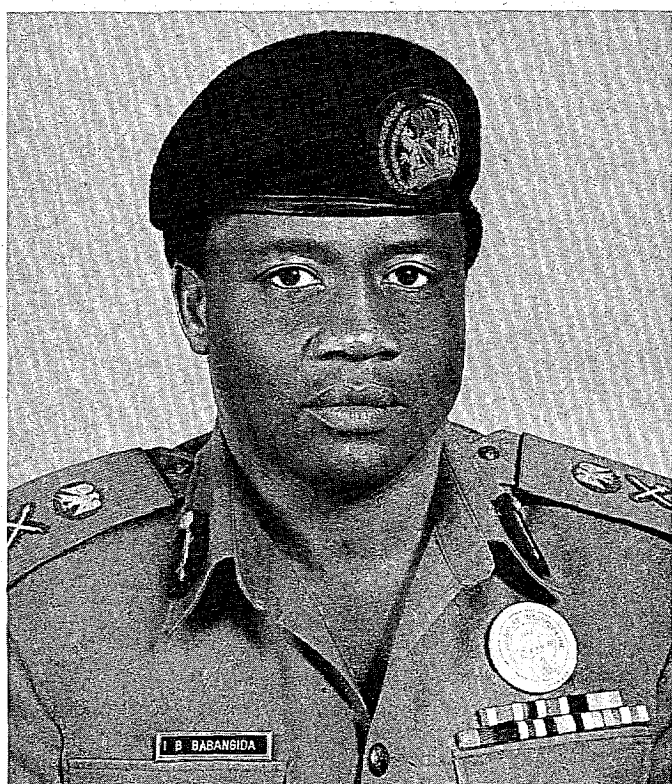
It is interesting to note that even though there was no love lost between "radical" Ghana under Kwame Nkrumah and "conservative" Nigeria under Tafawa Balewa in the early 1960s, nevertheless Nigerian foreign policy in the 1970s under Murtala and then Obasanjo was in more ways than one a continuation in a more practical and effective way of Nkrumah's policy of projecting the African personality. The emergence of Nigeria out of the shadow of "upstart" Ghana owed much initially to its huge size. A country representing some eighty million people could hardly be ignored. However, by the beginning of the 1970s, after a cataclysmic civil war, oil power had transformed a slumbering giant into a world leader.

Black Africa's champion

And so for a decade Nigeria ruled African politics. Battered and bruised from being kicked about as a political

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football by the various foreign interests, black Africa at last was happy to have a powerful voice like Nigeria to stand up to the continent's foes. The dream then was for Nigeria to become an alternative power base to challenge what was seen as the citadels of arbitrary power in London, Paris and Washington. And it was not a bad dream if you were a politicized African. But as has become characteristic of Africa, the dreams have an unhappy tendency to turn into nightmares; and Nigeria's dream was ending.



Nigerian President Ibrahim B. Babangida

In many ways Nigeria is a microcosm of Africa. Not only in its diversity but in its aspirations, frustrations and failures. The Nigerian experience is no different from the wider African experience. Today, like most of the continent, Nigeria is engaged in a painful post mortem to determine what went wrong. After eight changes of government, often violent, in less than a quarter-of-a-century, there are more questions than answers, and bewildered Nigerians are left to ponder what might have been.

The theme of the recent twenty-sixth independence anniversary celebrations (October 1, 1986) was austerity and more austerity. The head of state, according to a popular commentator in the *Concord* magazine "had nothing but cheerless news" for Nigerians; not surprising, if you consider that the external debt stands between US\$15 and \$22 billion (depending on whether you are a Nigerian official or a Western European banker. The Nigerian government has refused to accept responsibility for a substantial portion of the debt because of claims of corruption involving local officials and Western businessmen and financiers.)

Learning how to fail

The road that Nigeria took to self-destruction was well-tryed and -tested one; one that other countries before Nigeria had traversed with disastrous results. Just put your eggs in one basket. Nigeria apparently chose not to be guided by history. Unlike many African countries, there was no need for Nigeria to end up in the kind of mess it now finds itself in. It was amply endowed by nature not only with rich lands for food and export crops, but with huge deposits of oil as well. And that was the problem — *oil*. The "oil boom" of the 1970s has given way to the "oil doom" of the 1980s.

For decades the Nigerian economy had depended on the agricultural sector for food and export revenue. The sector was the largest employer of labor and until the mid-1960s it provided about 70 percent of export earnings. Nigeria was then the leading producer of groundnuts (peanuts) and palm oil in the world. It was the second largest producer of cocoa. Timber and rubber were also major exports.

But by the mid-seventies, as oil production became a viable commercial venture and the petro-dollars were pouring in, Nigeria's economic managers came to believe that at last they had discovered their own El Dorado. The extent of the country's dependence on oil is underlined by the fact that in 1960 oil accounted for only 4 percent of the national revenue. By 1965, this had risen to nearly 7 percent and by 1974 it was 82 percent.

Regional big shot

This sudden wealth led to an unprecedented spending spree. In a conscious attempt to turn Nigeria into an industrialized nation overnight, vast sums of money were poured into huge construction projects. The combination of the newly found wealth and Nigeria's emerging role as leader in black Africa, led to a large influx of people from the neighboring countries, especially Niger, Ghana, Chad, Togo and Benin. It was a situation that was to create foreign policy complications later. At the time it was seen as a sign of prestige, an indication of how Nigeria the leader was in a very practical way helping her poorer neighbors.

What many found unforgivable was that instead of using a portion of the petro-dollars to expand agriculture that sector was ignored and left to collapse. The available figures throw some light on this. Between 1970-72 the average export of groundnuts was 179,000 tonnes. Between 1976-78 this had fallen to a mere 10,000 tonnes. Palm produce fell from an average of 223,000 tonnes to about 174,000 in the same period, and cocoa exports fell from 232,000 tonnes to about 190,000.

By the time the civilian government of Shehu Shagari came into office in 1980, oil accounted for a whopping 80 percent of export earnings and agriculture had become a non-event. Even as the oil glut set in, Nigeria was slow to wake up to the imminent danger and it was not until 1981 when oil revenue began to fall dramatically that it really dawned upon the leaders that the economy, and with it the country's reputation, was in a disastrous slide. What is more, warnings by leading local oil experts, including the head of the state oil corporation, that Nigeria had already extracted 40 percent of its known oil reserves and that the

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remainder would last only twenty-five years, forced a reappraisal of the economic priorities. Shagari made brave attempts to introduce sweeping cost-cutting measures, but the nature of the disease was such that it required something more than import controls and cancellation of projects.

A quick slide

What was required was, for Nigerians, the unthinkable — an International Monetary Fund (IMF) bail-out.

A very serious side effect of the economic collapse was that it undermined Nigeria's ability to pursue the high profile foreign policy that had become its trade mark. Indeed forced by economic necessity to expel thousands of foreign nationals it had originally welcomed, Nigeria became the butt of fierce criticisms from its ECOWAS (Economic Community of West African States) neighbors. Ghana, Benin and Togo, among others, did not hide the fact that they no longer felt obliged to look up to Nigeria as their "big brother." The Ghanaian leader, J.J. Rawlings, went so far as to describe Nigeria as an agent of American imperialism.

Shagari's overthrow by Buhari and the subsequent overthrow of Buhari himself provided evidence of a nation's turmoil and its search for the right answers (see table).

Babangida's assumption of power rekindled some hope in the body politic. As an associate of the assassinated General Murtala Mohammed — considered by Nigerians as their most dynamic leader — Babangida had a special appeal. His first decision on the economy was a master stroke. He brought the public directly into the debate on the IMF package, the key feature of which was a 60 percent devaluation of the naira. For that Nigeria was to be given a US\$2.5 billion loan in 1981. All the economic arguments strongly supported acceptance of the IMF package. Anything short of that, the experts predicted, meant economic disaster. Nevertheless, Babangida threw his weight behind the overwhelming public rejection of the deal.

At a time when the IMF was considered Africa's public enemy number one, Nigeria's action, interpreted as standing up to an international bully, was well applauded. It enhanced the country's as well as the head of state's reputation. It did not matter that later, political commentators and economists accused Babangida of introducing the main requirement of the IMF deal — the devaluation of the naira — through the back door with the establishment of the Second-tier Foreign Exchange Market. The market operates like an auction at which foreign exchange is sold to private bidders at what is called the market rate. By the second week of the auction it had been estimated that the naira's value had fallen by about 66 percent. Despite this statistic, the public's attitude to its leader remained unchanged. The important consideration was that whatever the president had done, he had not been compromised.

Babangida in office

Even though economic resuscitation was the ultimate goal, there was no doubt that Babangida was also going to be judged on foreign policy. After another public debate the foreign policy direction of the government emerged. It

was not only going to recapture the spirit of the mid-seventies but would go beyond that to consolidate Nigeria as a regional power. Starting with the premise that "it was Nigeria's sacred duty to enhance the status of blacks all over the world" the Foreign Minister Bola Akinyemi said this duty could be better performed if Nigeria's status were recognized and "concretized." "There has emerged in the latter part of the 20th century, some countries that are influential in their own regions and their role in the world has credibility. Nigeria is an influential power in Africa and I would like to see some form of cooperation among regional powers, not only on African affairs but on other issues that concern the international community," he said in an interview in Lagos. According to the view in Lagos, the Non-Aligned Movement has failed as a bridge between the superpowers and the Third World and this new role now belongs to countries like Nigeria.

Nigerian leaders since independence in 1960

Sir Abubakar Tafawa Balewa, 1960-1966. The first Prime Minister, killed in the country's bloody coup in January 1966.

Major-General Aguiyi Ironsi, January-July 1966. In the bloody aftermath of the first coup, Ironsi, who was the Head of the Armed Forces and was not involved in the coup, emerged as the new leader. But six months later he was also toppled and killed.

Major-General Yakubu Gowon, 1966-1975. Became Head of State at a troubled time in Nigeria's history. Led the country through three years of civil war and praised for his reconciliation efforts after the war. He was overthrown by an old rival, Murtala Mohammed, while attending an OAU summit in Uganda.

Major-General Murtala Mohammed, July 1975-February 1976. Probably the most dynamic Nigerian leader; he was assassinated in a botched coup attempt in February 1976.

Major-General Olusegun Obasanjo, 1976-1979. As second-in-command to Murtala, Obasanjo became Head of State after the unhappy events of February 1976. Organized elections towards a return to civilian rule.

Alhaji Shehu Shagari, President, 1979-1983. The second of the only two civilian leaders, he was overthrown in December 1983.

Major-General Muhammadu Buhari, December 1983 - August 1984. Lasted less than a year and was overthrown in a "palace" coup.

Major-General Ibrahim Babangida, August 1984-?. Was one of the young officers who overthrew Gowon in 1975 and has waited nine years for his turn.

Living on oil

What is being contemplated is far more ambitious than even the Murtala Mohammed and Obasanjo regimes with their millions of petro-dollars ever attempted. There must be doubts therefore about the capacity of the government to pursue such a policy and the statements from Lagos can be taken more as declarations of intent. However, the determination to make a major impact on African diplomacy is real and it was not surprising that, following British Prime Minister Margaret Thatcher's deliberately provocative anti-sanctions comments last July, Nigeria precipitated the mass withdrawals that all but wrecked the Thirteenth Commonwealth Games in Scotland.

Recovery underway

Despite the harsh economic regime in Nigeria, there is a bullish atmosphere in official circles — a feeling that the worst is almost behind and that the country is, as it were, getting into shape to take on the world. The reason for this bullishness is the agreement reached with the World Bank in mid-October of 1986 for a US\$4.3 billion loan. Finance Minister Chu Okongwu in announcing the deal said the agreement has sent a "powerful message" to the international community that "the Bank has confidence in our policies and in our economy." Even more important, Nigeria has also reached a rescheduling agreement on its medium term debts with commercial bank creditors — a deal that will reopen vital credit lines.

The irony is that just as a breakthrough in economic management appears to be in the cards, internal problems are threatening to engulf the President. His image as a reforming popular leader is fading, and already unflattering comparisons with the rejected Buhari are being drawn. The telltale signs that all is not well emerged after the twenty-sixth independence anniversary celebrations when in a major reshuffle, the President dropped his second-in-command and de facto Vice President, Commodore Ubitu Ukiwe. Reshuffles are part of political life but to actually dismiss the deputy leader in a country where political balancing acts are a *sine qua non* to success, does cause concern. The rumor is that Ukiwe was dropped after complaints from other service chiefs that, despite their seniority in rank, Ukiwe's position in the political hierarchy made them subordinate to him. Whatever the reason, it does not smell right.

President's record

Other problems include the government's decision to release from custody former President Shagari and his

deputy Alex Ekwueme. The two men had been released on the recommendation of a judicial inquiry into their affairs, but this did not stop the media and leading intellectuals from bitterly criticizing the decision. Another controversial decision was the life-ban from politics placed on all politicians associated with the last two civilian administrations. The inclusion of opposition leaders in the ban led some to read into it a sinister plot by the head of state to clear the deck for his own transformation into a civilian president when the country is returned to democratic rule in 1990.

There were many more banana skins for Babangida but the most potentially dangerous was a needless confrontation with students and organized labor. A bungled police operation to deal with a minor student disturbance in one of the universities in the North left nearly fifteen dead. The student union, backed by their labor allies, demanded swift punishment for the crime. When the government vacillated they threatened a protest march. The government's reaction was to detain a number of labor leaders and a major confrontation was avoided only when the union leaders were released. The unions and the students had been among Babangida's most vociferous supporters and their alienation was regarded as needlessly counter-productive. As one commentator wryly observed "It is not a good sign when the government antagonizes everyone in sight."

One has to remember that only four months after seizing power Babangida executed ten senior military officers for attempting a coup. Despite the internal distractions, he now appears to have the situation well under control. He is still tolerably popular and has the solid backing of the army. Most of the key commanders are trusted lieutenants and his firm declaration to return the country to civilian rule in 1990 has helped to concentrate minds on the debate on what system to adopt.

It is too early to jump to conclusions, but it is probably fair to say that Babangida's stewardship so far has brought its rewards to Nigeria. The helplessness that previous governments showed in the face of the economic problems has given way to firmness and a sense of direction. On foreign policy, Nigeria is back on familiar ground, speaking and being heard on liberation issues in southern Africa. The slumbering giant is stirring but it is difficult to predict what will happen in the future. After all, at the beginning of 1983 no one predicted that by the end of 1985 Nigeria would have experienced two coups. □

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Foreign investment in the Pacific Rim

by Christopher J. Maule

International trade and investment in the Pacific region take place mainly between developed countries, especially between North America and Japan. While the trade picture is well documented, less is known about the rapidly changing nature of the investment relationships and the interrelationship between trade and investment. As a result of trade frictions between the US and Japan over steel, automobiles, and now semi-conductors, machine tools and other high technology items, there is an increasing flow of investment from Japan to the US assisted by a dollar that can now be purchased for about 150 yen compared to 250 yen a year ago. But if Japanese investors can establish plants that quickly in North America, how easy will it be for them to close them down and reverse the flow when conditions change?

There are other questions that need to be raised about the relationship between investment and trade. In those cases where the new Japanese plants assemble cars in other countries from imported components, then the principal change may be the substitution of intermediate for final goods and payments made for dividends and head office expenses. Individual components of capital importing and exporting countries' balance of payments will change but the net effect is at present unknown.

Pacific Rim investment

The purpose of this article is to survey the investment relationships among Pacific Rim countries, describe the parallel trade relationships and indicate the related issues which were discussed in the Pacific Economic Community Conference in Vancouver in November 1986.

Multilateral trade negotiations take place in the GATT framework of agreement and rules. But no GATT exists for foreign investment and, although codes of conduct exist for investors, governments engage in less formal investment negotiations. The separation of trade and investment negotiations is partly a product of institutional developments since Bretton Woods. Today it has become less relevant where countries are concerned over their total economic relationships with each other and trade and investment are known to be interrelated. A case can therefore be made to integrate trade and investment negotiations.

In 1984 the GATT Secretariat noted that the value of trans-Pacific trade exceeded trans-Atlantic trade for the first time (Table 1); in 1963 it had been about one-third of trans-Atlantic trade.

North America stands between Asia and Europe and is now looking keenly at developments in Asia, partly as a result of an economic slowdown in Europe and partly due to the growth of Japan, of other countries in southeast Asia, as well as of Australia and New Zealand over the last twenty years.

Canadian participation

Apart from diplomatic linkages, Canada participates in a variety of Pacific organizations. These include the Pacific Trade and Development (PAFTAD), the Pacific Business Economic Council (PBEC) and the Pacific Economic Cooperation Conferences (PECC). The last has government, business and academic representatives from over twelve Pacific countries. The Canadian government recognizes the importance of Canada's economic relationships with the region and has supported the establishment of the Asia-Pacific Foundation with offices in Vancouver.

The term Pacific Rim or Pacific Economic Community (PEC) suggests that there is a set of identifiable countries in the region with economic ties and possibly common interests. Geographically the region consists of Canada, the US, the Pacific coastal states of Central and South America, New Zealand, Australia, various small Pacific islands, the ASEAN countries, the Asian newly-industrialized countries (NICs), the People's Republic of China and the USSR.

The following statistics divide the Pacific Rim countries into five groups using data published by the Japan Member Committee of the Pacific Basin Economic Council in *Pacific Economic Community Statistics 1986*.

1. The Advanced Countries: Australia, Canada, Japan, New Zealand and the United States.
2. The Asian NICs: Hong Kong, Korea and Taiwan.
3. The ASEAN Countries: Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand.
4. The Island Countries: Fiji, French Polynesia, Papua New Guinea, Vanuatu, Solomon Islands, Western Samoa and others.

Christopher J. Maule is Professor of Economics and International Affairs at Carleton University in Ottawa. He was involved in the preparations for the Vancouver Conference mentioned in the article.

Investment parallels trade

5. Latin America: Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and Peru.

The 1983 population of these countries was 910 million or about 20 percent of the world's population. (Their GNP was probably about 45 percent of the world total.) Excluded from this list are the People's Republic of China (PRC) and the USSR (which would boost the region's population to about 45 percent of the world total) principally because of the inadequacy of data, especially on investment. For the first time the PRC had a delegation at the Vancouver PEC meeting, and the USSR sent an observer.

Direct foreign investment (DFI)

DFI can be described in terms of the existing stock and annual flows, where the stock data reflect the cumulative annual flows brought about by new outflows and inflows of investment and from earnings reinvested in foreign-owned subsidiaries. Except for the US and Japan the DFI data require considerable work in order to improve their accuracy. However the rank positions of countries and recent trends are reliable enough to provide an overall picture in which the US and Japan are found to be the largest owners of DFI in the PEC.

The 1984 stock of US DFI in the PEC was \$98.7 billion, almost twice the \$49.8 billion of Japanese DFI. (Note all dollar figures are US). For Japan the PEC accounts for 70 percent of its total DFI abroad, while the PEC accounts for 44 percent of the US total. Thus in relative terms the PEC is a more important destination for Japan's outward investment, but absolutely the US has more investment by a large margin in the PEC, although over half of it (\$50.5 billion) is US investment in Canada.

The DFI by the US and Japan is distributed around the PEC as follows:

Table 1: US and Japan DFI destinations

	(percent)	
	US	Japan
Advanced Countries	69.5	49.9
Asian NIC's	5.5	10.0
ASEAN Countries	10.1	25.4
Island Countries	—	0.7
Latin America	14.9	14.1
Total	100.00	100.1

US DFI is concentrated in the developed countries and in Latin America, with 75 percent in four countries (Canada, Australia, Japan and Mexico), while Japan has a stronger concentration (relative to the US) in the ASEAN countries and the Asian NICs. Five countries account for 78 percent of Japanese DFI: the US, Indonesia, Australia, Hong Kong and Panama.

The industrial distribution of DFI varies by pairs of countries. Two examples show a similar industrial spread of

US investment in Canada and Japan, but Japanese investment in the US is heavily concentrated in services with little representation in minerals and energy, whereas in Canada the distribution is evenly spread among the three sectors.

Table 2: Direct foreign investment by industry 1984

	US in Japan	US in Canada	Japan in US	Japan in Canada
	(percent)			
Minerals and energy	25.1	27.2	3.7	31.6
Manufacturing	49.2	42.5	29.8	35.4
Services	25.7	30.3	66.5	33.0
Total	100.0	100.0	100.0	100.0
Total US\$billion	8.4	50.5	19.9	1.6

Canadian direct investment abroad in 1984 was \$41.7 billion of which approximately 75 percent was in the US, 15 percent in Asia and 2.5 percent in Australasia. The only Asian and Australasian countries for which detailed information is available are Japan, Indonesia and Australia, with the remaining countries in an "other" category.

Investment flows

(Note: available data exclude the Latin American countries.)

Recent investment flows (1980-4) in the PEC are estimated at \$41 billion with the main flows going from Japan (\$20 billion), the US (\$16.5 billion), Australia (\$2 billion) and Canada (\$1.8 billion), and the main inflows going to the US (\$14.6 billion), ASEAN (\$10.8 billion), Japan (\$5.3 billion), the Asian NICs (\$4.9 billion) and Canada (\$2.8 billion).

Ninety percent of the investment has flowed between nine pairs of countries or country groupings.

Table 3: DFI Flow Directions

Outflow	Inflow	\$ billion
Japan	US	10.1
Japan	ASEAN	5.6
US	Japan	5.3
US	ASEAN	5.2
Japan	ASIAN NICs	2.6
US	ASIAN NICs	2.3
US	Canada	2.1
Australia	US	2.0
Canada	US	1.8
Total		37.0

Sixty percent of the flow moves among the advanced countries. In the above nine pairs, the US is represented in seven instances and Japan in four. The US is the only major source of capital inflow to Japan, while the larger size and greater openness of the US finds it a recipient in three cases, from Japan, Australia and Canada.

Stock and flow data reveal a similar picture of DFI being primarily among the advanced countries of the region, but with increased investment in recent years going to the ASEAN countries and the Asian NICs. A more complete investment picture will have to await more and improved data from all countries in the region (other than the US and Japan), including detailed breakdowns of statistics by industries and possibly major firms. Any examination of investment impact on capital exporting and importing countries will require more microscopic examination, as is generally possible with trade data.

Trade flows

In 1984 total PEC exports of \$715 billion and imports of \$779 billion were about 40 percent of total world exports (\$1,777 billion) and imports (\$1,851 billion). PEC exports within the Pacific region were 66 percent of the respective PEC totals, compared to 57 percent in 1970 and 1980. By region, exports and imports within the PEC were distributed in 1985 as follows:

Table 4: Trade within PEC

	Exports	Imports
	(percent)	
Advanced countries	68.6	72.9
Asian NICs	12.5	10.7
ASEAN countries	12.5	10.3
Island countries	0.1	0.2
Latin America	6.3	5.9
Total	100.0	100.0

About 70 percent of PEC trade therefore moves between the developed countries in the region.

The principal trade relations accounting for over 95 percent of trade in 1970 and 1984 are shown in Table 2. The value of this trade has increased almost eight times, with some linkages increasing and decreasing in relative importance over time. US and Japanese trade with the ASEAN countries and the Asian NICs has increased in relative importance while these two countries' trade with Canada, Australia and New Zealand shows a relative decrease. Intra-ASEAN trade has increased twelvefold and its share of total PEC trade has risen from 2.1 percent to 3.2 percent.

Both investment and trade increase in Pacific

Not only has trans-Pacific trade grown relative to trans-Atlantic and world trade, but trade within the PEC has increased relative to total PEC trade, suggesting that the region is experiencing some form of greater economic integration. Recent data on investment flows point to a similar conclusion, but here the data is less complete for both current and historical analysis.

What is clear from the investment and trade data is that the bulk of trade and investment is taking place between the advanced countries of the region, but with growing trade participation by the ASEAN countries and the Asian NICs. The extent to which trade and investment are

substitutes or complements for each other in the region, and the impact on the balance of payments of capital exporting and importing countries, will only be understood from more detailed studies of industries and individual firms in the region. This information would be important for Investment Canada in its current mode of attracting foreign investment to Canada, where the result of the investment may be favorable for the capital account, but with accompanying service outflows in the form of dividends, interest, royalties, licensing fees and head office expenses. Also the effects on trade in goods are unknown, because they will depend on whether the investment displaces imports or merely substitutes imports of intermediate for final goods, as might occur if an automobile assembly plant was located in Canada using imported components.

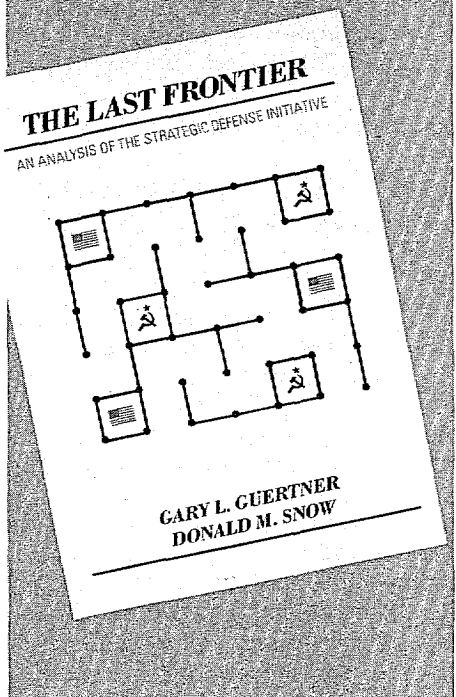
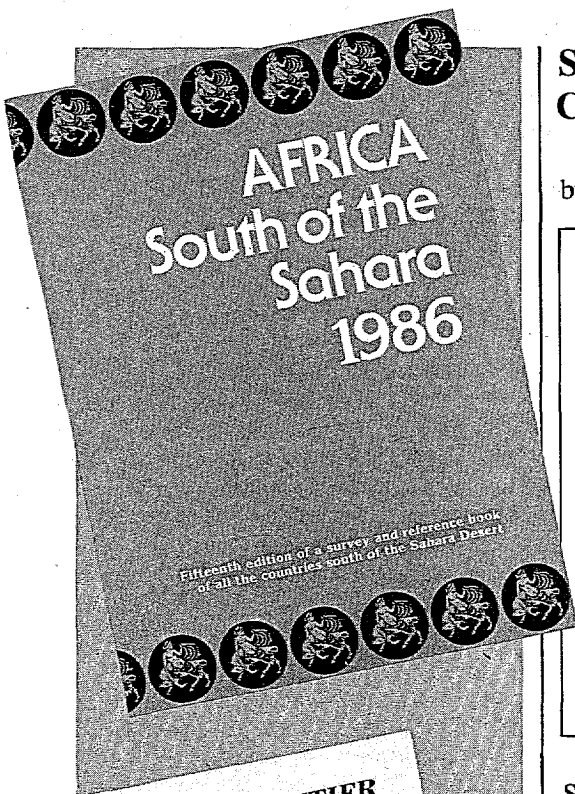
Current objectives

These and other issues were discussed at the Pacific Economic Cooperation Conference in Vancouver in November 1986. Regarding investment the Conference examined the need:

1. To improve the statistics and information in two areas: a) investment statistics (stocks and flow of investment by countries and industries), and b) the investment policies of capital importing and exporting countries;
2. To analyze the relationship between international trade and investment in the region showing where and how the two complement and substitute for each other;
3. To create conditions that discourage investment wars between countries through competitive offerings of subsidies and other incentives;
4. To discourage foreign investors from engaging in restrictive business practices such as limitation on exports, and to encourage investors to provide manpower training in conjunction with appropriate technology transferred to developing countries;
5. To devise ways of protecting intellectual property rights;
6. To examine whether a more permanent organizational setup is required — perhaps some form of Pacific OECD — to monitor investment incentives and other economic developments in the region.

In sum, the Conference recognized the need to integrate policy discussions of international trade and investment, in parallel with similar initiatives to be taken in the forthcoming round of GATT negotiations. It also recognized the need for more specific information on the experiences of actual firms and industries in the region. The next stage of the PEC process will depend on the extent of the financial backing from the member countries. Canada has actively supported the deliberations to date, and should be encouraged to continue the support for an organization that is concerned with about one-half of the world's GNP. □

Book Reviews



Star Wars, Verification, China. . .

by David Lord

Aurora Papers, Nos. 1, 2 and 3 by the Canadian Centre for Arms Control and Disarmament in Ottawa.

No.1: Coping with "Star Wars": Issues for Canada and the Alliance by Douglas A. Ross. 1985, 56 pages, \$9.50.

No.2: China and Arms Control: Emerging Issues and Interests in the 1980s by Alastair I. Johnston. 1986, 86 pages, \$12.00.

No.3: Canada and NORAD, 1958-1978: A Cautionary Retrospective by David Cox. 1985, 49 pages, \$7.50.

So far, the Canadian Centre for Arms Control and Disarmament, an independent Ottawa-based think tank, has produced three major research papers in its Aurora series devoted exclusively to arms control issues. Probably the most controversial contribution of direct interest to Canadian readers is Douglas Ross's iconoclastic *Coping with "Star Wars."* Ross argues that Canada should not reflexively shy away from strategic defences for North America, but rather be certain "any Canadian work on strategic defences must be carefully regulated to ensure that it is consistent with deterrence enhancement and not with strategies of escalation dominance." While Ross considers that further militarization of space would likely be destabilizing, ground-based ballistic missile defences could

add to deterrence and should not be dismissed as an option.

And to have a significant say in US policy making, Ross contends, "Canadians must not be seen by American conservatives as irresponsible, weak-willed, free-riders, exploiting American taxpayers by contributing only marginally to Western capabilities. . . . Greater resources will have to be allocated to defence not fewer." He suggests the cost of a hearing in the Pentagon, State Department and ultimately the White House, should include at least doubling the size of Canada's NATO contingent in West Germany, more frigates, more long range patrol aircraft, state-of-the-art tanks, the much talked-about polar icebreaker and a sonar surveillance network among the Arctic islands.

Meanwhile, Canada is "locked into some form of active air defence for a fairly lengthy period," by having acquired CF-18s and by approving modernization of the northern radar line. Ross writes that Ottawa can use that role to persuade Washington not to deploy US forces in a way that would cause Soviet anxiety.

In *China and Arms Control*, Alastair Johnston draws on two years of study in Beijing to provide the first major analysis of changing Chinese attitudes towards arm control, the regime's goals and an introduction to some of the major players. One of the key points he makes is that with the possibility of significant intermediate range weapon reductions in Europe remote as that development might seem, the Chinese will face a major military and economic dilemma if the Soviets redeploy European missiles to Asia against Asian targets.

CONFRONTING
REVOLUTION

SECURITY
THROUGH DIPLOMACY
IN CENTRAL
AMERICA



MORRIS J. BLACHMAN
WILLIAM M. LEGRANDE
KENNETH SHARPE

The
Denuclearisation
of the Oceans

Edited by R.B. Byers

Allan
Fotheringham
**CAPITOL
OFFENCES**



Dr. Foth Meets Uncle Sam

As well, Beijing is taking a much keener interest in the Soviet-American debate over space-based weapons and ballistic missile defences and arguing for retention of the superpowers' Anti-Ballistic Missile Treaty, although in the past the Chinese, while building up their own nuclear force, have denounced some arms control agreements as examples of superpower "hegemonism."

Johnston also provides summaries of Chinese current nuclear capabilities, strategy, the balance of power between civilian officials and the military and possible directions for the future.

David Cox's *Canada and NORAD* is arguably the most esoteric contribution to the series in that it goes over the history of Canada's participation in the air defence of North America and some of the political complications that arose from close cooperation with Washington to counter the threat of nuclear-armed Soviet bombers in pre-cruise times.

Although Cox writes that during the period covered "controversy was minimal," lessons can be learned that apply today, including the need for full consultation between Ottawa and Washington on decisions that effect Canadian security and that "weapons deployments have their own momentum."

The Last Frontier: An Analysis of the Strategic Defense Initiative by Gary L. Guertner and Donald M. Snow. Toronto: D.C. Heath Canada, 1986, 158 pages, \$27.95.

Perhaps one of the most optimistic messages of this brief but nevertheless sometimes wordy description of the American debate over the strategic, economic and political implications of the Reagan administration's Strategic Defense Initiative lies not in the authors' restatement of the now-familiar arguments about the feasibility and merits of Star Wars but in their academic credentials.

Gary Guertner, a professor of international relations at the University of Arizona, held the Henry Stim-

son chair of political science at the US Army War College from 1981 to 1984 and was the scholar-in-residence at the US Arms Control and Disarmament Agency in 1985. Donald Snow, a political scientist and director of international studies at the University of Alabama, taught management at the US Naval War College last year and was a visiting professor at the United States Air Command and Staff College.

Despite that background, Guertner and Snow have not produced an apologia for the Reagan administration's dedication to SDI. Instead, the authors argue that unilateral backers of SDI are both "guided and blinded by the light at the front of the tunnel. Behind the light of futuristic weapons and the goal of a 'perfect' defense is a strategic black hole into which the United States and the Soviet Union will almost certainly fall as a result of an open-ended and unconstrained arms competition. Technological dependency is not the foundation of which future American security should be built. Science, arms control and military strategy must succeed together, or SDI risks becoming America's technological Vietnam."

The pitfalls of SDI are well known — the predicted economic drain, uncertainty about the reliability of the defence and the possibility of destabilization because of Soviet developments to overwhelm a strategic defence system. What Guertner and Snow are arguing for is careful consideration of all the implications of Star Wars before the US becomes carried away by what has been called the "technical follies future."

"A major point to be made is that serious consideration of exactly what the ramifications are has not been seriously undertaken. Unless those concerns are thoroughly analyzed and rationalized before any kinds of decisions about the SDI are made, the result could be a large number of unforeseen consequences that make matters worse rather than better."

Cautious proponents of SDI, arms controllers and even critics of Star Wars should all take some heart from that approach, especially from

Book Reviews

the fact that it is being aired in the US war colleges to a future generation of American military policymakers.

Verification: How Much Is Enough? by Allan S. Krass.
Toronto: D.C. Heath Canada,
1986, 271 pages, \$19.50.

Washington's decision to edge over the limits of the unratified SALT II treaty between the superpowers by deploying one more B-52 bomber armed with cruise missiles underscores several of the valuable lessons to be learned in Allan Krass's highly-readable, data-packed analysis of the politics and technology of arms control verification.

From a Canadian perspective, direct representations from Prime Minister Brian Mulroney and External Affairs Minister Joe Clark to US President Ronald Reagan and Secretary of State George Shultz to abide by the treaty's limits were ignored. In the words of Clark, he and Mulroney argued to their US counterparts just days before the deployment that with some hope for success in arms control talks, it "would be better for the world" for the US to abide by SALT II. "I indicated [to Shultz] that I thought that it was important, particularly in an atmosphere of arms control discussions, for us to retain respect for one of the arms control arrangements that is generally regarded as being in effect. We made our case very strongly, publicly, privately. . . . And the United States will be making its own decision."

After reading Krass's detailed and clearly-presented analysis of the sophistication of verification techniques, their close links with the jealously guarded secrets of military intelligence-gathering, the conflicting interest groups digesting and, at times, manipulating, the information for domestic or international consumption, and the continuing geopolitical competition of the superpowers, Clark's terse statement spoke volumes.

Some of the questions Krass, a professor of physics and science pol-

icy at Hampshire College in Amherst, Massachusetts, and a senior analyst for the Union of Concerned Scientists, asks and answers are: How, why, and to what end does either side "retain respect" for existing arms control agreements?

He also sheds light on the crucial dilemma of "how much is enough?" compliance with existing arms accords — the notion behind Clark's allowance that SALT II "is generally regarded as being in effect," despite allegations of breaches by both sides and Ottawa's public acceptance of Washington's evidence of Soviet breaches. While the Reagan administration contends that the Soviets have ignored the agreement by testing a new, heavy ballistic missile, the SS-25, and encoding more of the test data than is allowed by the treaty, several of Washington's allies are apparently not thoroughly convinced that the alleged breaches are of enough military significance to merit jeopardizing hopes for improved arms control through negotiation.

Krass also points out that many seemingly strategic moves are merely signals, not substantial changes in the balance of terror. Those signals can be to display displeasure with developments on the other side, attempts at intimidation, or a feeling-out of the adversary's technological and political responses and resolve. Then again, what is taken to be an important new military development could result from faulty interpretation of data or misrepresentation of the data for domestic or external political reasons.

In the end, Krass argues that what should really count in arms control verification is whether a new development will significantly alter the balance of power and whether the side detecting the development has time to respond to the change.

Verification has two fundamental purposes: to deter violations by posing a credible threat of discovery and to build confidence in a treaty by demonstrating compliance. Too much emphasis on guaranteeing detection of violations will cause the system to see too much and become overloaded with ambiguities and suspicions, thereby undermining the confidence-building function. On the other hand,

too much emphasis on confidence-building can lead to complacency and even temptation to exploit the latitude allowed for stretching the limits of the treaty. "There is no formula which can produce the correct balance between these two imperatives," Krass writes, "and any balance which is achieved can be all too easily upset by changes in the political atmosphere. . . . The only standard of adequacy capable of maintaining a workable verification system is the ability to detect militarily significant violations in time to make an appropriate response. A standard which sees all possible violations as of equal importance, or which is based on a legalistic 'contract' approach to arms control, cannot survive the political tensions it helps to exacerbate."

This is a valuable book, not only for Krass's political analysis but just as much for the lucid, detailed and extensively footnoted discussions of verification technology and the melding of the technological breakthroughs and drawbacks with the political realm. Laymen looking for clear descriptions of the workings and effectiveness of radars, seismology, satellites, on-site inspection and other technology applicable to arms control verification, will find a wealth of information here.

Krass also delves into the gamut of existing bodies concerned with arms control and verification, including the Standing Consultative Committee set up under the SALT agreements, the International Atomic Energy Agency and the United Nations Conference on Disarmament. Sections on bureaucratic battles within the US and Soviet administrations, the interpretation of data, and the allies' influence on decision making are also fascinating.

Any reader with a more than passing interest in arms control technology and politics, not to mention superpower summitry, would be well off to buy, beg or borrow a copy of this book.

David Lord is a reporter with *The Gazette* in Montreal.

Making policy better

by Philip DeMont

***Our Own Worst Enemy: The Unmaking of American Foreign Policy* by I.M. Destler, Leslie Gelb and Anthony Lake. Toronto: Musson Books, 1984, 320 pages, \$14.95.**

In this volume, the authors untangle the confusing trends underlying the current malaise in US foreign policy and offer prescriptions to lessen the stranglehold these trends have on the policymaking machinery. According to the authors, this malaise is the result of a process begun in the early 1950s. Pushed by Cold War insecurity, US presidents escalated their use of foreign policy issues for domestic political purposes. Issues now were seen in terms of "winning" and "losing" or "good" versus "evil." The stronger rhetoric also created greater expectations among the population. Trapped by these expectations, the presidents could not moderate previous promises.

This polarization was exacerbated by the shift from the traditional sources of foreign policy advice — the eastern business establishment — towards the professional elite of foreign policy academics. The eastern moderates were discarded as post-Eisenhower presidents found new power centers to advise them, such as the Georgetown Center for Strategic Studies. These ideologically inclined advisers, like their political masters, were caught in their own rhetoric. "True believers were always there to hold their feet to the fires."

The end of the old establishment meant the demise of the moderating center in foreign policy. Wide swings were now the rule as first one group, then another, gained influence with successive administrations. The State Department, which is usually the moderate voice in the bureaucracy, was weakened by this polarization. The White House staff, increasingly favored by presidents, effectively cut the State Department out of many decisions. Purges of high and middle level bureaucrats at the State Department became common. Many of the

president's close advisers were political, not foreign policy, people. No longer non-partisan, foreign policy neophytes, such as William Clark and Richard Allen, controlled policy in the White House.

Technology also conspired against the State Department. Advances in communications meant that the White House no longer relied upon the State Department for information. As a result the president squandered his influence on tactical issues, rather than preserving the prestige of his office for the big questions. Congress and the press also contributed to this deterioration. More cynical about the administration after Vietnam and Watergate, both began challenging White House initiatives in foreign policy. Both, however, tended to criticize without offering concrete alternatives, thus confusing the public even more.

All of these forces, the authors argue, created an irrational way to run US policy. The authors feel a return to common sense in US foreign policy is needed. The US will always have contradictory relationships with other countries (criticizing the USSR's human rights policy while selling them wheat), and policymakers and the general public must view these relationships more realistically.

The authors call for a reassertion of the centrist forces in foreign policy. The antics of the past twenty years have destroyed the moderating influences in the policy spectrum. Only by being more pragmatic in foreign policy matters can the administration draw upon the moderating influences from other parts of society.

A readable volume, *Our Own Worst Enemy* makes a valuable contribution to the debate over US foreign policy. By isolating the major trends that have warped policymaking in the White House, the authors starkly contrast their solution — a return to common sense — with the present confusion in the executive office. Rejecting complex organizational solutions, such as schemes to realign the powers of the State Department and the National Security Council, they have returned the onus for improving the policymaking process to where it should be — with the President and his advisers.

Foreign policy is a function of policymakers' minds. Real change will only result from viewing the policy process differently and more maturely.

Philip DeMont is a graduate student in the School of Journalism at Carleton University in Ottawa.

Reviewing the Sea Arm

by Harry DeWolf

***The Composition of Canada's Naval Fleet, 1946-1985* by Sharon Hobson. Halifax: Centre for Foreign Policy Studies at Dalhousie University, 1986, 127 pages, \$6.50.**

The author undertakes an ambitious task. This study is indeed a comprehensive review of the size, composition and role of the Navy since World War II.

The basis for the study is sound. The division of ships into major and minor war vessels, and auxiliaries, and the grouping of the several types of anti-submarine ships into a single class, makes for easy reading. The text is well supported by graphs and tables.

The study is divided into four phases related to the current attitude of the government towards defence.

The Navy's ambitions for a general purpose peacetime fleet would have been well met by Mr. Abbott's forecast of 1945. The advent of the North Atlantic Alliance changed everything. The aim of NATO was to establish balanced collective forces, and the weaker members were encouraged to contribute the type of force they were best able to produce. Canada's offer to provide anti-submarine ships was entirely logical. By 1952 we had made a firm commitment, which still stands, and is comparable to our commitment to maintain Army and Air forces in Europe.

Book Reviews

This study examines the Navy's persistent preoccupation with anti-submarine warfare in the face of inconsistent government policies and priorities. In the early fifties, the government was in full support of NATO. Shipbuilding plans, conversion of existing ships, recruiting and training were all directed towards the buildup of anti-submarine capability.

In 1957 a change of government brought about the first of a series of reviews of defence policy. The same year saw a change in the submarine threat, the result of advances in atomic weapons. The need for anti-submarine forces was emphasized.

Reviews of policy added to delays already being experienced in the shipyards and led to dramatic escalation of costs which, combined with limitation of funds, forced upon the Navy difficult decisions of priority. Painful sacrifices were necessary but were confined to areas not contributing directly to anti-submarine warfare. In successive reviews by governments, the priority given to NATO varied from first, to second, to third and back to first. A program of four new ships was approved in 1964 and completed in 1973. The next new construction was announced in 1977 but work did not commence until 1983. Completion is expected in the nineties. Absence of a more regular replacement program has made necessary uneconomical expenditures on ships approaching the end of their useful lives.

The author is concerned that the specialized role of today's Navy is out of step with the government's general purpose policy. I have two comments: first, the primary purpose of defence forces is to keep the peace. A ship designed, equipped and trained for a specific role in war is eminently capable of performing its many general tasks in peace; second, our contribution to the anti-submarine forces of NATO earns us a share in the overall defence provided by the allied fleets.

This is an excellent review of the problems faced by the Navy during the past forty years. The author is to be congratulated.

Harry DeWolf is a retired Admiral of the Canadian Navy living in Ottawa.

Troubled oceans

by Brian Meredith

Denuclearisation of the Oceans: Problems and Prospects edited by R.B. Byers. Toronto: Strategic Studies Research Program, York University, 1986, 288 pages, \$30.00.

This book is a carry-over from the meetings given over for a decade or more to the United Nations Law of the Sea Convention, signed in 1982 but as yet unratified by enough governments. It reflects the anxious nuclear thoughts and afterthoughts over this new, vast and complicated area of public concern, official and unofficial. Gradually it will be apparent to people generally that their foreign policies now inescapably confront a new variety of maritime matters, and that this is so whether UNCLOS becomes ratified legally or not. Moreover, this is also so in space, inner and outer. Political curiosity and thinking must, as a result of UNCLOS and modern technologies, be greatly expanded.

This book, published in 1986, is drawn largely from papers presented at a conference on the Denuclearisation of the Oceans in Sweden in May 1984. It was a result of an idea advanced by Mrs. Alva Myrdal, who donated a large part of her Nobel Peace Prize to it. The editor states that the book's purpose was to analyze the extent to which nuclear weapons and developments and deployments at sea today should be appraised militarily and legally. He does this by selecting a broad and illuminating set of papers from the many that were presented.

Arvid Pardo, who was credited with the concept that the resources of the sea were the common heritage of mankind, takes an anxious view of UNCLOS is retrospect. He writes of the ambiguous legal status of the military activities at sea. Clyde Sanger of Ottawa cites several of these technologies in his paper on the economic consequences of the naval arms race and quotes Lord Trenchard's remark that the cost-plus method of bidding for them was "the road to absurdity." Elizabeth Young toys with the crea-

tion of an Arctic Regime and mentions the possible effects of the USSR reversing northward flowing rivers. The Arctic Ocean is where US and USSR submarines are increasingly deployed, and "foreign interest in the Arctic is by and large deprecated." She sees the Arctic Ocean as being akin to the Mediterranean, virtually an enclosed sea, only larger.

R.B. Byers of York University examines the prospects for denuclearization and Jan Evensen of the Norwegian Foreign Office and Elisabeth Mann Borgese of Dalhousie University write on the treaty and on prospects for harmonization.

These and the other contributions to this book add up to a useful source of information and ideas for all who would pursue this relatively new and menacing area of concern.

Brian Meredith is a retired international public servant living in Ottawa.

Water wiles

by Penny Sanger

To the Last Drop: Canada and the World's Water Crisis by Michael Keating. Toronto: Macmillan of Canada, 1986, 265 pages, \$26.95.

Alternatives: Perspectives on Society, Technology and Environment, a special issue entitled Saving the Great Lakes. Waterloo, Ont.: University of Waterloo, Sept./Oct. 1986, 97 pages, \$15.00 for four issues.

The New Catalyst, Fall 1986 issue entitled Water: The Life-Giver. Lillooet, B.C.: Catalyst Education Society, 1986, 28 tabloid pages, \$12.00 for six issues.

To the Last Drop is an important contribution to the environmental literature of Canada. It is the first attempt to document and describe the major

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water problems in this country, written by a distinguished environmental reporter for *The Globe and Mail*. Irrigation in the dryland prairie, toxic pollution in the Great Lakes basin, hydro dams and diversions, rising consumption rates, proposed water exports — they are all here in a relentless and disturbing procession of facts and figures.

Appropriately, now that we are into the second half of the United Nations Water Decade, Michael Keating examines these problems with an eye (only *one* eye) on the world water situation. The book's subtitle, *Canada and the world's water crisis*, overstates this part of his achievement. Apart from a good first chapter on world water resources, a useful Appendix, and details on irrigation in the USA, we get only a sprinkling of international references and statistics. For example, the drought in the Sahel region of Africa receives only three scattered mentions. There is no analysis of international water problems.

Yet it is crucially important to view Canada's water in the light of world water use, particularly, of course, demand in the USA. Like other threats to our security, our water problems have international impacts (e.g., acid rain, proposed exports) and will only really be solved in an international context.

Six of Keating's fifteen chapters have to do with pollution. They include a catalogue and description of some major pollutants, a mini-history of pollution in the Great Lakes, an account of long range transport of air pollutants (in which we learn that a startling 90 percent of pollution in Lake Superior comes from the air) and a grisly overview of cancers in fish and sea mammals. A US scientist claims to be able to tell where people live from the chemicals permanently accumulated in their body tissues. Keating's evidence shows how this new form of finger-printing has happened.

His chapters on irrigation and hydro dams and diversions are, by comparison, less satisfactory. He tells us the remarkable fact that fully 60 percent of the water annually consumed (that is, not returned to local streams and lakes) in Canada is used by irrigated agriculture, most of it on the southern prairies. But we need to

know the costs and benefits of this consumption. There is fairly continuous pressure to expand irrigated agriculture by diverting more rivers. But it is a notoriously expensive and inefficient water use, causing widespread soil salination, while about one-third of the crop produced is feed grains for beef cattle — which can be raised on dryland prairie. Provincial taxpayers pay most of the costs of this consumption. Who are the beneficiaries?

Hydro dams represent a non-consumption use of water, simply capturing the power of falling water and transmitting it to population centers in southern Canada and the USA. But of all our water uses these dams have most permanently scarred and changed our landscape. And they may be having more far-reaching effects. Scientists at the Bedford Institute in Nova Scotia have suggested a correlation between depleted fish stocks in the Gulf of St. Lawrence and dammed rivers on Quebec's north shore. These dams turn the river's natural, climate-controlled pulse of spring flood and winter freeze-up upside down. Heating and lighting demands in winter require a continuous supply of falling water, and the spring flood, which scoured the riverbed and flooded rich silts downstream to enrich fish stocks and tributaries, is held back to build up a constant supply, for the next heating reason.

Peter Rogers, Professor of Environmental Engineering at Harvard, recently told a Science Council audience in Ottawa that he believed Canada's export of power to the USA was a good idea. But he advised Canadians, who pay at least 10 percent more per capita annually than Americans on water projects, to get a much better price for this power. And why, he asked, should Ontario invest so heavily in nuclear power plants when there is so much hydro power potential next door in Quebec?

These sorts of questions are not answered — or posed — in Keating's book. Not setting out to be prescriptive, it also avoids the analysis that environmentally concerned readers might expect. How, for instance, will society be persuaded to treat water as a life-force, as well as an essential commodity?

One prescription he does recognize is to raise water prices. The

amount we pay for water *must* rise. But the amount of that rise and its effectiveness will depend on that much-sought authority, the public will.

Years of bad news about water may seem to have blunted people's response to water issues. Researchers have plotted graphs of the "issue attention cycle" showing how public attention goes into decline, or is diverted to other issues, when the costs of solving environmental problems are grasped. Such theories are useful for strategy. But they probably badly underestimate the need of Canadians to know that something can be done, and their willingness to support solutions.

They also underestimate our innate recognition that "something" will affect most aspects of our lives. The intracconnectedness of the planet has forced itself into our consciousness. The evidence, in print, is all around us, in journals such as *Alternatives*, published quarterly at the University of Waterloo. Its latest issue is called *Saving the Great Lakes* and it stresses the ecosystem approach as well as providing important resource material. It is time its editors made it accessible to more than a handful of readers, by improving its dense prose style.

A completely different kettle of fish is *The New Catalyst*, a tabloid published six times a year in Lillooet, BC. Its fall issue called *Water: the Life-giver* covers major BC water issues, e.g., the site C dam on the Peace River and new developments in Alcan's control over the Kemano-Nechako watershed. Its reach is much wider than BC though: an Alberta writer reviews a recent British study of large dams from his vantage point at the Three Rivers dam site on the Oldman River in southern Alberta, and there are news items about the Great Lakes and West Germany. The great value of this new publication is that it will be read by ordinary citizens — people who *are*, finally, the public will, and who must be appealed to to change the thinking that will change the systems — that will save Canada's, and the planet's, water systems.

Penny Sanger is an Ottawa freelance writer.

Hands off Latin America

by Tom Sloan

Confronting Revolution: Security through Diplomacy in Latin America edited by Morris J. Blachman, William M. LeGrande and Kenneth E. Sharpe. Toronto: Random House, 1986, 438 pages, \$37.25.

This is a big book in every sense. Not huge, but big enough to give a comprehensive account of the five countries that are usually counted as comprising Central America: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua — and also Panama. In addition it looks at the Contadora Peace Process, the impact of Cuban and Soviet influence and the economic problems facing the region.

It is comprehensive, and the fifteen scholars who participated in it have a shared point of view: Central America must be treated as an agglomeration of independent states, each with its own history, and not merely as an extension of someone's global policy; certainly not merely as a "back yard." Those who see the area only as a stage on which is being acted out a morality play of conflicting ideologies and superpower interests will gain little comfort from this collection of essays.

While acknowledging the presence of Soviet, Cuban and other non-American influences, the authors roundly condemn the simplistic notion that these are responsible for the revolutionary impulses in El Salvador, Guatemala and Nicaragua, any more than they are for the relatively calm democratic tradition in Costa Rica. Regardless of imported ideologies, there would be turbulence in the three countries mentioned, as there has in fact been throughout most of their history. As even the most cursory glance at the history of their social conflicts indicates, any attempt to treat them merely as instances of communist subversion is pointless and counter-productive.

Given both the nationality of the writers and the current US preoccupation with the area, this is quite naturally a book written primarily —

though not exclusively — for the American reader. Its self-proclaimed purpose is to inform about the complex reality of Central America and its nations and to plead for an awareness on the part of the US government of what those complexities mean. Among other things, they mean that a heavy-handed policy of direct or indirect military intervention has no chance of securing real peace anywhere in the region. Specifically, with regard to Nicaragua, where, I believe correctly, Sandinista policies are described as ill-defined and subject to change, the plea is made for a return to diplomacy rather than continued military pressure. The hardening of attitudes on both sides is seen as a recipe for disaster.

Realism has many possible definitions. In the final chapter, signed by four of the authors, "a policy of principled realism" is prescribed as follows: "We need to found our policy toward Central America on our real national interests rather than on the false interest of hegemony. We need to be less concerned with controlling how our neighbors organize their own politics and society and more concerned with how they behave toward us and the other nations of the region."

Under the circumstances, it is surely a definition that is hard to fault.

Coca and Cocaine: Effects on People and Policy in Latin America edited by Deborah Pacini and Christine Franquemont. Cambridge, Mass.: Cultural Survival Inc., 1986, 169 pages, US\$8.00.

There may be nothing good to be said of the illicit international drug trade. But as this little book reminds us, at its source at least, there are often many people who not only are not criminals, but who in fact are simply carrying on a perfectly legitimate cultural heritage.

Cultural Survival — one of the sponsors — was founded in the United States in 1972 and describes itself as a non-profit association concerned with the fate of ethnic minorities and indigenous peoples

throughout the world. This paperback is an account of the proceedings of a Conference on the Coca Leaf and Its Derivatives held under the group's sponsorship at Cornell University in 1985.

As might be expected, much here is of interest only to the specialist, either in drug trafficking or in the cultural anthropology of the Andes areas of South America where the coca leaf is grown, consumed, and in some cases processed into the killer drug cocaine. They span parts of Peru, Colombia, Bolivia and Ecuador. Nevertheless, the concerned non-specialist may be interested in the expression of a point of view that has been generally unheard in North America.

If the evidence presented is to be believed, the coca leaf itself is a non-harmful, non-addictive, mild stimulant, which for 3,000 years has been an essential part of the life of generations of Andean Indians, and remains so for some two million of them today. It is an integral part of their cultural identity, religious rituals and social lives. To take it away is to impoverish their lives. When it does vanish, as it has in some areas due to government coercion encouraged, if not imposed, from abroad, its place is taken by alcohol and cigarettes — the non-beneficial effects of which do not need to be proved.

The argument is in no sense a defence of the international drug traffic, whose nefarious effects on the indigenous communities are described in detail. It is simply suggesting that there are side effects of an all-out war at the source of the substances concerned that must be considered. It may well be that, as modernity encroaches, the coca chewing will disappear by itself, along with the society it inhabits. But, in the words of one participant, "Whether the Andean people continue to chew coca in this period of social transformation is their own business. The decision should not be foisted upon them as a by-product of North American drug problems."

While the book is uneven in its interest for the general reader — providing, for example, much more information than one might want to know about a few tribes of Amazon

Indians — it is also a reminder that, when a developed society is sick, it should not automatically demand that the cure be achieved through the distortion of other cultures.

Tom Sloan recently returned from a year observing developments in Costa Rica. He is now a freelance journalist in Ottawa.

Africa reference

by Douglas G. Anglin

AFRICA South of the Sahara 1986, 15th Edition by Europa Publications Ltd., London. Detroit: Gale Research Co., 1985, 1089 pages, US\$135.00.

The latest edition of this well-known reference book fully maintains the high standard of its predecessors. Prior to 1984 revisions were issued annually, but it now appears to have become a biennial publication. The weighty tome is organized in three parts. The first, covering some 150 large pages, comprises a series of fifteen essays by recognized authorities on the history, politics and economy of the continent. These are highly informative, if somewhat uncritical. Even Basil Davidson manages to be non-controversial. The second section surveys (in sixty pages) the myriad of UN agencies and regional organizations operating in Africa — again, essentially factually, though still usefully.

The bulk of the volume, however, is devoted to "Country Surveys" of fifty-one states and territories from Sudan to South Africa, and from Senegal to the Seychelles. In length, these accounts vary from a few pages to over fifty. Each chapter contains short, descriptive articles on the country's geography, history and economy, an extensive Statistical Survey, a select bibliography, and a Directory (with postal addresses and telex numbers) of a wide range of office holders and organizations. Among those listed are government

ministers, the media, religious institutions, banks, public corporations and private companies, trade unions, and tourist and transport facilities. No other single source provides as comprehensive or as readily available a compendium of information of this kind as this volume.

In addition to coverage, an important criterion in judging the utility of a reference book is the currency of its contents. Ensuring that facts and figures are up-to-date is always difficult, but especially so for a continent undergoing rapid change and often suffering from inadequate statistical services. Nevertheless, the editor has made every effort to provide a record of events up to mid-1985. This is not to suggest that every article has been thoroughly revised. Moreover, much of the statistical data relates to the year 1983 or earlier. Yet, despite these limitations, *AFRICA South of the Sahara* remains a mine of information and an indispensable reference resource.

Douglas G. Anglin is Professor of Political Science at Carleton University in Ottawa.

Odds and ends

by Jill Tansley

A Guide to Canadian Diplomatic Relations, 1925-1983 by Linwood DeLong. Ottawa: Canadian Library Association, 1985, 58 pages.

This short guide is an excellent reference tool for both academics and laymen. The author has collected information which would otherwise have been widely dispersed on the state of Canada's external relations. The booklet details dates on which Canada recognized the legitimacy of foreign governments; when diplomatic relations were established; and when Canadian missions were opened and closed. In each case, the source of the information is conveniently noted.

The booklet also provides a short history of Canadian diplomatic relations. Also included are the criteria by which official recognition is granted to foreign governments. Future editions of this concise and specific booklet will be welcome, if it is to be kept up-to-date.

Voices of Survival in the Nuclear Age edited by Dennis Paulson. Santa Barbara (California): Capra Press, 1986, 286 pages, US\$8.95.

This book contains opinions on the nuclear debate by what the editor considers to be 120 of the world's most influential people. Included are US Vice President George Bush, actor Dudley Moore, journalist Flora Lewis and linguist Noam Chomsky, as well as an assortment of scientists, physicians, economists and priests. Carl Sagan in his introduction sets the tone of the book with an impassioned plea that individuals act to save humanity. The majority of the writers vehemently express opposition to the stockpiling of nuclear weapons and to the war they believe is inevitable. Singer Joan Baez states that concerned individuals should see the movie *Gandhi*, "then get hold of an album of Martin Luther King's speeches, then call up (their) local peace movement, and get involved." Such simplistic suggestions typify the overriding message of the book.

One might expect more than a few of these high profile individuals to mention such political realities as nuclear deterrence or the difficulties of attaining a verifiable arms reduction agreement. However, this book is not geared to an informed audience. Rather, its target is the layman whose conscience can be piqued by emotional, alarmist rhetoric. Perhaps in this the book will succeed.

Jill Tansley is a graduate student at Carleton University in Ottawa.

One man's international relations

by Peter Martin

Capitol Offences: Dr. Foth Meets Uncle Sam by Allan Fotheringham. Toronto: Key Porter Books, 1986, 250 pages, \$19.95.

Every good Grub Streeter knows that the only way you can make anything like a decent living as a journalist is to sell the same story over and over again. And that is what Allan Fotheringham, a.k. self-styled a. Dr. Foth, is doing in this much-promoted

recycling of his newspaper and *Maclean's* material.

Here, again, is the saga of the brash boy from the Prairies making it to big-time Washington via Vancouver and Ottawa. Here again Fotheringham's superficial inspections of the byways of the Great Republic to the South. Here again, cheap shots and innuendo passed off as inside information. Ho and hum.

Forced wit and pseudo-insight are relieved here by quite astonishing flashes of ignorance. Why, Foth, have you not found out how it is that Washington taxis don't have meters? Any cab driver in the town will tell you. And how could you possibly not have run before into the hoary old joke J.K. Galbraith tells in *The Scotch?*

Still, it's moderately interesting

to read yet again Fotheringham's strangely diffident account of the Sondra ("amusing to those who know her") slap record.

And, if you haven't had a surfeit of Fotheringham from other sources, *Capitol Offences* will be mildly diverting. Even occasionally worth taking seriously. As in: "I'm rather a fan of the general American ignorance of Canada. . . . It's when the United States starts to become interested in foreign countries that the trouble starts. Ask Chile. . . . Iran. . . . Grenada. . . . Nicaragua."

The book is full of names. There is no index.

Peter Martin is publisher of International Perspectives and of Balmuir Books.

Letters to the Editor

Sir,

I was vastly amused to read David Lord's attempt to review my book, *Eldorado*. He seems to have had some trouble with it, first because it is a history and therefore deals with the relatively remote, pre-1961 past, and second because it does not conform to his view of what a rough, tough, description of colourful characters and their actions should be about. His insight here is useful, since he obviously distrusts the version of events that I proffer. As he emphasizes, "according to Bothwell, Howe never set foot in an Eldorado mine, the refinery at Port Hope," etc. Presumably according to Lord there is an alternative reality, which a "truly critical" and totally up-to-the-minute book would present. That may be; to match your reviewer's tastes I would suggest that it be about thirty pages long, furnished with bright colourful action drawings and replete with emotive words like "Pow! Zap! and Zowie". In that book Howe would travel to Great Bear Lake, and great issues of morality could be presented in words of one syllable and in primary colours.

People who like to get their information in dull prose, and according to an admittedly dull standard of proof, are referred to the original *Eldorado*—the one that happened.

Robert Bothwell
Toronto

Sir,

Studies — pessimistic and ambivalent — on the environment and human prospect have grown increasingly over the past decade. Bharat H. Desai's article, "Destroying the global environment," (*International Perspectives* November/December 1986), is one such article which aims to disclose the paramount problems which put our world in jeopardy.

Present day problems, especially our deteriorating ecosystems, Desai informs us, are a result of human behavior, and are thus capable of amelioration by the alteration of that behavior. While Desai may be commended in calling our awareness to an

oppressive anticipation of the future, the central thrust of his article sounds not as a warning and challenge, but as an immediate threat. That hollow echo from Desai certainly leaves him in the category of the prophets of doomsday.

Admittedly, while "conservation of the environment is a *sine qua non*, without which any development is a misnomer," the issues which Desai raised are not new to our world. Desai's grim Malthusian outlook has always been there. As an aside, doesn't Desai consider that today's threat from nuclear annihilation certainly seems worse?

Present day policy makers, scientists and the public will not see "growth" or "development" carried beyond the point where our ecosystems can sustain us. Desai's distressing disclosures do reveal problems. But the impending catastrophe which he sees does not really exist. Man, with the help of the forces of circumstance, has always strived to make it a better world.

Sridatt Laxhan
Canadian Caribbean Research
Committee
Toronto

March/April 1987

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The Canadian journal on world affairs

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Secret free trade talks 1953

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Editor's Note:

The concept of the nation state has dominated the way we organize ourselves internationally for centuries. Maybe it's time to admit that the idea has serious limitations, and our world might work better if other kinds of units and combinations were recognized, says James Eayrs of Dalhousie University. His reflective article, the latest in a lifetime of offering his vivid glimpses of the world scene, suggests a new way of understanding our international political environment.

*How often does **International Perspectives** have a scoop? Perhaps this number contains the first. No one seems to know that there was a serious but aborted free trade initiative taken by the United States in 1953. Don Barry of the University of Calgary found out by rummaging through documents in Ottawa and Washington. The Canadians got that one cooled out in the fright of an election campaign. But how we have changed. Now it's "Let's go!"*

Two other articles deal with human rights in the Third World, and propose some ways in which Canada's contribution to both human rights and economic development could be strengthened. In a related piece, we learn something of the record of an unusual, small and successful UN specialized agency, the International Fund for Agricultural Development.

Some fairly recent publications of the Canadian government and parliament include important considerations of our Arctic, how it should be developed and protected, and how Canada's claims can be enforced. Gerald Graham of Ottawa reviews the debate, particularly in its foreign policy dimension, and has some suggestions.

Democracy in Israel could be in trouble if the proportion of Jews in the population continues to decline significantly. So says H.J. Skutel of Montreal in a study of the dramatic demographic trends in that country.

A CORRECTION: *This embarrassed Editor has to apologize to Professor Christopher Maule, whose article on investment in the Pacific rim appeared in the last issue. The text as printed contained two mentions of trade relations, followed by references to "Table 1" and "Table 2." In fact the tables intended by the reference did not show up in the printed article at all, and the tables that did deal with investment, not trade. I offer my deep regrets to Professor Maule, while acutely conscious that the correction can never catch up with the error.*

The outlook for statehood

by James Eayrs

"Are your rulers — the Council of Ministers, I think you said — are they what you call a 'Parliament'?"

"By no means," the guide said. "But they are responsible to the national parliaments."

"Oh, I see. You still have nations here. How quaint. You certainly spare no expense. But I suppose you have a parliament of Europe, if only to control your army and your foreign policy?"

"I'm afraid not," the guide said. "We have a European assembly, of sorts, but no army and precious little foreign policy."

"In that case," said the Man from Mars, "I'm off. I always thought Europe was a safe place. . . Well, good luck. I hope you survive."

And with that he was gone, leaving his vapor trail behind. [*Pangloss, a pseudonymous piece in The Times of London, January 6, 1986.*]

This fictive interrogation of a spokesman for the European community by an extraterrestrial visitor to Planet Earth is among the more recent entries to a long tradition of commentaries upon the extraordinary way in which the family of man has chosen, or, rather, allowed itself, to become organized so as to do its chores and commit its crimes. An allegation of "absurdity" is common to them all. A pioneering treatise on international politics invokes the conceit of "the man in the Moon" who, gazing at Earth through a miraculous telescope, is astounded to discover that all its inhabitants are subjects of "a large number of states" each of which has "full power over all. . . it shelters" (Raymond Leslie Buell). Another pioneering study asserts that "nothing but the sluggish pace of men's evolution can justify the citizens of a particular nation in considering themselves as privileged exclusively to control a government whose activities react on other countries with almost as much effect, if not with more, than in their own" (Salvador de Madariaga). In 1959 George F. Kennan, an American practitioner and historian of diplomacy, denounces as "absurd" the world's division "into several dozens of secular societies, each devoted to the cultivation of the myth of its own overriding importance and virtue." And in 1962 a Canadian *philosophe* flatly proclaims: "The very idea of. . . nation-state is absurd. The concept of the nation-state has managed to cripple the advance of civilization." The author was later to lead a state for sixteen years as Pierre Elliott Trudeau, who had written *Federalism and the French Canadians*.

Absurdity of statehood

A case for the absurdity of statehood has become stronger and more easily made since this bevy of prosecutors rested theirs. The "several dozens of secular societies" about which George F. Kennan complained nearly three decades ago has tripled: sovereign entities have multiplied so that a United Nations designed on the base political advice for a potential maximum of eighty occupants now is host to twice that number. The disproportionality among the parts of this universe is even more grotesque than their number. Five point one million is not the population of a medium-sized state, it is the population of the census force required to ascertain how many people lived in the world's most populated state. China's are a million times more numerous than Vatican City's; yet both belong to the same species, as do a St. Bernard and a Chihuahua rather than being a kind of buffalo and a kind of rat. The four most populous states comprise a million times as many square miles as do the four least territoried states. Yet all share a common statehood, all play by the same rules.

The doctrine of the formal equality of states was assailed by Prime Minister Mackenzie King at conferences where he argued that postwar international institutions should not treat Canada as they might El Salvador. But that system had no special place for middle powers. The special place for great powers is hardly worth occupying in a toothless Security Council. Only in the International Monetary Fund, that unloved "policeman of capitalism," is there provision for weighted voting; and the price for speaking out is putting up.

The majority of states are small states, mini-states, micro-states, atoll-states, sandspit-states, dockyard-states, casino-states, company-states. If these anomalies amused themselves demurely in the far-flung corners of their playground, there would be no need to worry. But their behavior is far from orderly. They are forever feuding and fighting, falling out and falling apart.

Small not harmless

It might be argued that, for all the statelets' quarrelling, their shenanigans are harmless. So why not let their leaders fill their puny local arenas with sound and fury that signify nothing on the wider stage? Here are some reasons why not.

James Eayrs is Professor of Political Science at Dalhousie University in Halifax.

Misnomer or anachronism?

First, because they occupy that wider stage. At the General Assembly of the UN their tribunes cobble windy and unenforceable manifestos on the rights of their states and the duties of others. Antigua and Barbuda argue for renegotiation of, of all things, the Antarctic regime. An energetic representative persuades Assembly members to devote more debate to the security of Seychelles than to the Iran-Iraq war and the plight of Poland combined. This is absurd, this is "out of harmony with reason or propriety."

Besides the capacity to distract, small states possess the capacity to destroy. Theirs is the power of the weak, the power of the pyromaniac in a fireworks factory. Just by being there Serbia toppled the proud tower of Europe across what became its killing ground. Libya could do the same, as could Lebanon, as could any of Lebanon's murderous cantons. Wagers of *jihad* cannot be deterred.

FAILED STATE SYSTEMS

If statehood is allegedly absurd, it has become patently inadequate, out of harmony with necessity, along with reason and propriety. Statehood no longer delivers the goods, rises to the occasion. Playing by statehood's ridiculous rules, posturing in its ineffectual forums, states no longer meet human needs.

One of the first to see statehood's inadequacy and proclaim it to be so was, of all people, an American politician. In 1941 Wendell Willkie (who had lost a run at the presidency the year before) flew 31,000 miles to more than a dozen countries. A Ulyssean voyage for those days, it left upon the traveller an indelible impression. "Peace must be planned on a world basis," Willkie wrote on his return. "I mean quite literally that it must embrace the earth. Continents and oceans are plainly only parts of a whole, seen, as I have seen them, from the air." Whence came the title for his journal, *One World* — precursor of such later catch phrases as "Spaceship Earth," "Earth Politics," "Global Village," "the common heritage of mankind."

The ideal of a family of man sharing the earth as its common home is as old as literate humanity itself. Ancient scripture lauds it. Thinkers down the ages propound it — utopians who would somehow banish power and conflict from human affairs (a process requiring us, as Jonathan Schell has provocatively conceded, "to reinvent politics"), realists who argue for better command and control.

The cosmopolitan cause has been helped by footage. Televised space probes make us all men on the Moon. We see our Earth through the spacecraft's porthole, caught by NASA's Hasselblad, and what we see is not the patchwork of Mercator's political quilting but an amethyst sphere wreathed by cloud. We see a small and vulnerable planet which astronauts and cosmonauts orbit in fewer minutes than it took Walter Cronkite to shower, shave, dress, drive to the studio and make up, to tell us of their splash-down.

Images of mushroom clouds ought to have been even more compelling; to a few they were. But even before newsreels of Japan's nuclear apocalypses were being shown at the Translux in New York City, L.B. Pearson became convinced that the system of sovereign states needed to be changed as radically as the atomic bomb had changed weapons and war. Pearson assessed the destroyers of Hiroshima and Nagasaki as forerunners of "ever more

devastating bombs. . . which will be to the present bomb as a machine gun to the breech-loader." It seemed obvious to him that "any constructive solution to this problem of the war-use of atomic energy must be international." Pearson meant "supranational," for he went on to propose that the three governments then privy to atomic bomb production — the US, the British, his own — trade "the knowledge of invention and manufacture they alone possess at present, for renunciation by all nations of the right of production or use."

Learning too slowly

Such a deal could not be made. The Truman administration, intent on keeping to itself what it wrongly supposed to be an ultimate weapon conferring ultimate power, bargained in bad faith, insisting upon intrusive inspection procedures it knew the regime of the *gulag* could never accept. Stalin, intent on breaking the US atomic weapons monopoly with the aid of his spies, likewise bargained in bad faith, insisting that the United States should then and there destroy its stockpile.

In 1949 the Soviets exploded an atomic bomb. George Kennan turned to Ottawa for support for his unpopular proposal that the West return to the table with less rigid demands on inspection. The Canadian civil servant who then advised on such matters turned thumbs down. "The strategic use of the atomic weapon," George Ignatieff argued, "is an essential element [of Western defence]." Here, we now see, was a decisive turning point. What might the self-styled "peacemonger" now not give to arrive at it again. But History is chary with her second chances.

Protection of citizens against armed attack has been the state's basic *raison d'être*. Not its guarantee of survival to the last man, woman, child and suckling, but a reasonable assurance of coming through alive. Today no government can truthfully promise protection in that sense. Swiss officials claim that "if any society in Europe is still functioning after a general nuclear war, Switzerland will be functioning." Swiss may find that comforting, but it leaves the rest of us cold. Widespread nuclear neurosis, a kind of atomic *angst*, persists as a result. Cannily detecting it, perhaps cruelly exploiting it, is President Reagan's assurance to his people that they will be able, with due effort made by science and technology, to "live secure in the knowledge . . . that we could intercept and destroy strategic ballistic missiles before they reached our own soil."

If states can no longer protect their people, neither can they keep many of them gainfully employed. Communist party states claim to fulfill this basic human need. Perhaps they do; but only by draconian measures that are unacceptable in free societies and create malingering in theirs — a cure (as shown by the demand to emigrate) worse than the disease. In First World states the disease is debilitating, and worsening. Our country is becoming the homeland of what the Royal Commission on the Economic Union and Development Prospects for Canada calls "a lost generation of 'walk-arounds.'" In much of Africa and Latin America, where Third World states have slid unexpectedly into a fourth world of absolute poverty, the Samaritans are foreigners. No one eats *uhuru*.

RESIDUAL ATTRACTIONS OF STATE SYSTEM

Why, why on Earth, do states continue to be created? Why does the system of states, for all the allegations of its preposterousness and for all the demonstrations of its inadequacies, continue to endure? All states, the late Barbara Ward wrote more than fifteen years ago, "lack ultimate sovereignty. The dollar cannot dictate world policies for liquidity. Four times overkill cannot guarantee even superpowers full security. Capitalist markets use Communist gold. Communist stomachs need capitalist wheat. The ever-tightening, thickening web of complete interdependence draws all the sovereignties great and small, kicking and screaming, into a single planetary system. But the institutions to express this unity are so frail, so dependent upon sovereign vetoes of unsovereign states that they give little more than the tribute of hypocrisy which vice pays to virtue, recognizing its necessity but giving it the widest berth." States, as Harold Isaacs has memorably put it, are "the idols of our tribes," and they are "here to stay. . . granitelike in their power to survive, mobile and vital in their power to reproduce themselves, to be reborn, to evolve. They preside over all our altars. . . . Despite occasional impulses and even efforts in a number of cultures to see if it could be otherwise, this remains the essential order of human existence." But why?

The culture of statehood enables its elites to enjoy the international style — that life of seemingly purposeful activity, and assuredly frenetic pace, lavished upon them uniquely by the protocol of sovereignty. Here is a heartfelt testimonial to its allure by an anonymous consumer:

How wonderful international life is. It suffices to recall our visits: airports, greetings, cascades of flowers, embraces, orchestras, every moment polished by protocol, and then limousines, parties, toasts written out and translated, galas and brilliance, praise, confidential conversations, global themes, etiquette, splendor, presents, suites, and finally tiredness, but how magnificent and relaxing, how refined and honored, how dignified and proper, how — exactly — international. . .

Where a former Prime Minister of Canada was ready to abandon a mission to discuss Soviet espionage with the President of the United States on learning that it would involve the re-routing of his railway car for which taxpayers would incur a charge of \$300, the present Prime Minister of Canada is ready to defend an expenditure of \$2.6 million for a day's entertainment of the Reagan entourage. Later, the *Globe and Mail* observed, "Lines of limousines for a conference in Paris, a separate airplane for the Prime Minister's television lighting and his podium, suites . . . that would make a Saudi sheikh blush." Such is the international style, and those who experience it are loath to relinquish it.

What, and give up candy!

The international style offers more than jet-setting and the Mercedes at the door. It offers a role upon the

world stage and in all its myriad sets. A head of state thus describes that role and what it means to him:

We have found our self-confidence in the international community, and other countries have come to respect us for what we are. If this were not so, would our Ambassador to the UN have been accepted as Chairman of the Afro-Asian Committee? Would our special envoy to the OAU Conference of Ministers. . . have been elected Secretary? Would you have thought that my recent Policy speech at the UN Assembly would have received the hundred percent support of all Member States? . . . I personally have been received and honoured in many countries. . . . During my recent visit to the US I had important discussions with high ranking officials of Government, corporations and banking institutions. . . . I have received an invitation to pay a state visit to Israel. . . and. . . a similar visit to Canada . . . I shall also want to pay a visit to the Holy See and a courtesy call on the Italian prime minister.

That is what the international style does for Lesotho and its president, for scores of other states and heads of state.

The affinity of elites for the international style is readily understood. But whence derives support for statehood by the masses — ordinary folk for whom no Mercedeses idle, no color guards await?

Fear of statelessness is foremost. To be a stateless person in the terrible twentieth century is to live life before Leviathan, life "solitary, poor, nasty, brutish and short." So oppressed nationalism seeks out statehood. For an Armenian, a Kurd, a Palestinian, a Sikh, a Tamil, nationality is insufficiently protective. Only citizenship offers the prospect of security.

Safely set up in a state of one's own, fear subsides and pride swells in its place. Displacement of fear by pride is most evident in Israel. "A Jew, whenever he came to a country, checked the exits," a rabbi in Jerusalem remarks. Now, in Israel, "a new generation has grown up. . . . They can't stand an obsequious nation. They hate it. Dignity. You hear them all the time saying 'Why can't you stand up to the world?'" These Israelis want to feel good about their state, as do other peoples. To feel good about your state, and about yourself for being its citizen, is to experience the appeal of patriotism. Elites have more reasons to be turned on by their country, but the patriotic high lifts lesser mortals, too. There is a Yiddish folk saying: "Why is the Land of Israel so stony? Because every Jew who arrives casts off a stone from his heart."

ELUSIVE ALTERNATIVES

A third clue to the persistence of statehood, besides the affinity of elites for the international style and the appeal of patriotism to citizens in every stratum, is a dearth of viable alternatives.

The city once served splendidly to let people (who were not slaves) live life full and well. Pericles's tribute to Athens — "Our city. . . is an education to Greece" — still

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reminds us of what we have a right to hope for our country. And there are those who argue that the city could so serve again, and should. During the 1960s, when small allegedly was beautiful, Leopold Kohr became a minor cult figure for insisting that the world would be safer and more humane if existing states were fractionated into city-states. But he did not tell us how.

Jane Jacobs wants states and empires to break up, not for the virtue of smallness, but because she believes that cities are engines for development, while hinterlands are agents for decline. Cut cities free from their debilitating surrounds, she argues, free them from crippling — because irrational — jurisdictions, and councillors will be enabled by improved feedback (such as the market value of city currencies) to make sounder decisions. Look at Hong Kong. Look at Singapore. But where else to look? Elsewhere cities are in thrall to faulty feedback and political pressure to provide capital for “transactions of decline” — military expenditure and regional subsidies. Jacobs does not expect a revival for the city-state on an extensive scale, but some experimentation is to be expected “since it seems that sooner or later human beings get around to trying everything within their capacities.” She will have noted with interest the efforts of Atlanta and Syracuse, among other US cities, to conduct urban foreign policy by sending missions abroad to drum up trade and investment. “In the past, we never looked beyond our own borders,” the mayor of Syracuse explains. “We were dependent on the umbilical cords that linked us to our capitals.”

Ubiquitous corporations

The firm is another contender for our allegiance. There are countries whose policies and qualities of life are shaped not so much by their governments as by the decisions of head offices and plant managers, “company states” such as Firestone’s Liberia, United Fruit’s El Salvador, Gulf and Western’s Dominican Republic. (Canada has been held to differ from these only in the number and diversity of the American branch plants accused of dominating all aspects of our society.) It is claimed that the multinational corporation drains many states of their autonomy. And some say a good thing too, because (as Henry Kissinger maintains) “in the developing countries there is often no substitute for [the multinational company’s] ability to marshal capital, management skills, technology and initiative.

The global reach of firms, whether constructive or — as is most commonly assumed — retardant, is probably overestimated. As a species, the free-wheeling corporate buccaneer, *pace* Adnan Khashoggi, is endangered. Host governments monitor, regulate, shut down, take over (sometimes without compensation) foreign operations. These are even hassled their own governments: the “sovereign state of ITT” was hauled before the Senate, its documents subpoenaed, its CEO cross-examined, its executives fin and jailed. “Merely to ask which institution one expects to be around 100 years from now, France or General Motors,” one commentator observes, “show the nature of the problem.” He bets on France, as do I. It is pardonable no to want to bet on either. “It is only because we do not know how to organize large masses of people to

perform those tasks essential for society,” the American economist Robert Heilbroner laments, “that we have to depend on the nation-state with its vicious force and shameful irrationality and the corporation with its bureaucratic hierarchies and carefully inculcated dissatisfaction.”

EVOLVING GLOBAL REGIME

There being a plague at both these houses, let us visit a third — the global regime, which may develop in three modes: by conquest, by consent, and by evolution.

There have always been those who crave to rule the world, and some — like Emperor Augustus after Rome’s defeat of Carthage — who believed they did. Had Hitler not wasted resources on exterminating Jews, had he pressed development of the atomic bomb, his bloated ambition — “Today Germany, Tomorrow the World” — might have been achieved. At present only the men in the Kremlin are thought by some (including, as of 1981, President Reagan) to harbor a design for a world state under their control. Even if that were their intent, it is hard to see its execution now that one government or more can destroy any would-be conqueror and all his works in a barrage of thirty minutes’ duration.

More likely than a global regime by conquest is a global regime by consent. In *The World Set Free*, H.G. Wells foresaw in 1913 the development of nuclear power and its application to warfare. Major cities are laid waste by atomic attack. “From this point on the book gets utopian,” comments the scientist Leo Szilard. “With the world in shambles, a conference is called in which a world government is set up.” But with the world in shambles a world government would not be utopian: if anyone were spared to govern and be governed, such a government would probably be formed. One of the late Herman Kahn’s most plausible scenarios invites us to imagine the aftermath of an atomic war that breaks out inadvertently when the super-power leaderships lose control of escalation. What happens on the morning after? “There are many things that might happen,” Kahn speculates,

but one thing almost certainly would not happen. Neither of the principal antagonists would announce that since the war was over, they would now return to the old deterrence policy with accident-prone forces.

There is a well-known book. . . *World Peace Through World Law*. . . The President of the United States might send a copy of this book to the Chairman of the Council of Ministers, saying, “there is no point in your reading this book; you will not like it any more than I did I merely suggest you sign it, right after my signature. . . . If we are to have a settlement, we must have it now, before the dead are buried.

“I can even imagine,” Kahn concludes, “the Chairman accepting the offer, and signing.” Stranger things have almost happened — most recently at Reykjavik.

Welcome polyarchy

Some years ago, the late Hedley Bull was able to dismiss the notion that "the states system may be giving place to a secular reincarnation of the system of overlapping or segmented authority that characterized medieval Christendom." That notion posited an evolved global regime would have as its outcome not a single central authority created by design but rather a set of authorities, competing and overlapping, under whose several jurisdictions the human family had allowed itself to be placed as it pursued its myriad concerns. Now there is evidence that the world is coming to be governed neo-medievally. Where there were kings, feudal lords, the Church and the guilds, there are now states, international organizations, industrial associations, unions, banks and insurers, all rule-makers for economic operators. "And now," Susan Strange, a leading student of international political economy points out, "as in medieval Europe, there are extensive and significant areas of anarchy in which little or no authority is exercised." Behavior and habitat worldwide are more and more subject to non-state pressures and procedures.

Such a hodgepodge of jurisdictions alongside *laissez faire* might seem to promise even more chaotic anarchy than we endure at present, rather than anything resembling a global regime. Yet, as an American student of the process has noted, "not anarchy but polyarchy is the more appropriate term for describing and understanding the emerging patterns in the world polity. In a polyarchic system, there is no dominant structure for managing cooperation and conflict." While a polyarchy may relapse into anarchy, it may also be nudged in the direction of world order. "The 'statesmen' of the polyarchic system," Seyom Brown has told us

(in a passage whose opacity is for once in political science literature justified by the daring of the leap of intellect required to compose it),

can seek to transform the fragmented polyarchic pattern into worldwide and regional communities in which the complex interdependencies are matched by political and legal processes and institutions. . . .

The model for such a world system is the modern, ethnically diverse greater metropolitan areas. . . . These megalopolises comprise numerous municipal and special-purpose jurisdictions, many of which overlap, but they lack a strong central government for the whole. The polyarchic "global city" could exhibit an analogous structure.

The contours of that analogous structure are already visible. Regimes to protect wildlife, to track weather, to regulate telematics, to select sites for geostationary satellite transmitters, to limit the emission of ozone-destroying chemicals, to monitor, under non-governmental auspices, seismic events in the interests of arms control — such regimes, whether in place or proposed, are manifestations of a trend towards global coordinated polyarchy. "It is still possible to imagine new systems of power, new pluralisms in which human beings may be able to live with one another in some more satisfying and mutually satisfactory way" than is allowed by statehood as of old, so even a moderately pessimistic American (Harold Isaacs) was able to hope more than a decade ago. The odds on that possibility have since improved. □



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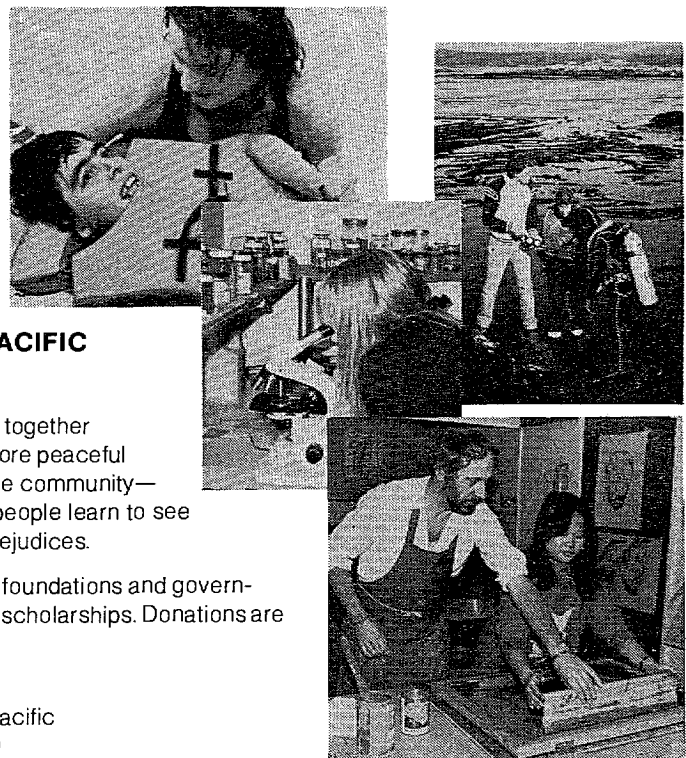
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Eisenhower, St. Laurent and free trade, 1953

by Donald Barry

It is commonly assumed that the current Canada-US free trade talks are the successor to the failed bilateral negotiations of 1911 and 1947-48. However, Canadian External Affairs records and US State Department files tell a different story. As Donald Barry discovered, these documents show that the issue reappeared in 1953 when President Eisenhower proposed to a surprised Prime Minister St. Laurent that their governments examine the feasibility of bilateral free trade. Canada resisted the US overture, but the Americans were not easily discouraged.

Conventional wisdom has it that the current free trade negotiation between the Mulroney and Reagan governments is the successor to the aborted Canada-US discussions of 1911 and 1947-48. It is also widely assumed that Canada has been the initiator of free trade talks, although the US is viewed as having been a willing and usually an enthusiastic participant in these endeavors. However, in 1953 both patterns were broken when President Dwight Eisenhower, at his Washington summit meeting with Prime Minister Louis St. Laurent, surprised Canadian officials by proposing that the two countries explore the prospects for free trade between them.

The Eisenhower example stands out not only because it shows that free trade has appeared on the bilateral agenda more often than we have assumed, but also because it demonstrates that the US has taken the lead in raising the issue. More important, the case exemplifies how firmly entrenched the continental aspirations of American administrations can be.

The original aim of the Eisenhower-St. Laurent summit was innocuous enough. The meeting was intended as a simple, get-acquainted visit following the President's inauguration in January 1953. But as the summit took shape it assumed greater importance for Canadian officials. They viewed with mounting alarm the new Republican administration's apparent lack of enthusiasm for multilateral trade liberalization, a pillar of both countries' postwar commercial policies. Canadian concern was reinforced by a surge of protectionist pressures in the US which threatened a variety of Canada's exports to the American market, including agricultural and dairy products, fish, lead and zinc.

Eisenhower's bombshell

The President and the Prime Minister, together with their senior officials, met in Washington May 7-8, 1953. At

their May 8 session, which dealt with economic issues, St. Laurent and External Affairs minister Lester Pearson expressed their concerns about US commercial policy. They presented a memorandum which called upon the administration to take the lead in liberalizing international trade. Pearson also suggested that the two governments establish a joint board to consider bilateral economic problems. The US participants showed interest in the proposal. President Eisenhower asked his Secretary of State John Foster Dulles to explore the suggestion, implying that Pearson should undertake a similar inquiry on the Canadian side.

But it quickly became apparent that the Americans had their own remedy for Canada-US trade ills. According to the Canadian account of the meeting, Defense Secretary Charles Wilson asserted that the two countries "would be better off if they moved closer and closer towards free trade between them." Wilson, the ex-chief of General Motors, said that under free trade, his former company "would fully continue production" in its plants in Canada, "although their capacity might be used for the production of parts to a greater degree than at present." President Eisenhower observed that "on almost every occasion on which he met with the Cabinet, discussion of the need for freer trade came up." He "wondered whether a special tariff relationship could not be established," adding that "he would be for free trade between the two countries if further study showed that it was feasible." The Canadians, committed to the multilateral approach and anxious not to inject the politically volatile free trade issue into an anticipated summer general election, showed no enthusiasm for the idea.

Nevertheless, at the meeting's end Eisenhower instructed Secretary Dulles to launch a study of the impact of a customs union or free trade arrangement with Canada. Operational responsibility for that study and the previously discussed joint economic board inquiry fell upon Livingston Merchant, the Assistant Secretary for European Affairs and a subsequent 2-time US ambassador to Canada.

Canada's backaway

The Americans apparently envisaged a role for the prospective joint economic board in the free trade investigation. Embassy officials in Washington reported the US plan to Lester Pearson in Ottawa on May 14. Pearson

Donald Barry is Associate Professor of Political Science at the University of Calgary in Alberta. An earlier article by him in International Perspectives (March/April 1986) dealt with free trade and border broadcasting.

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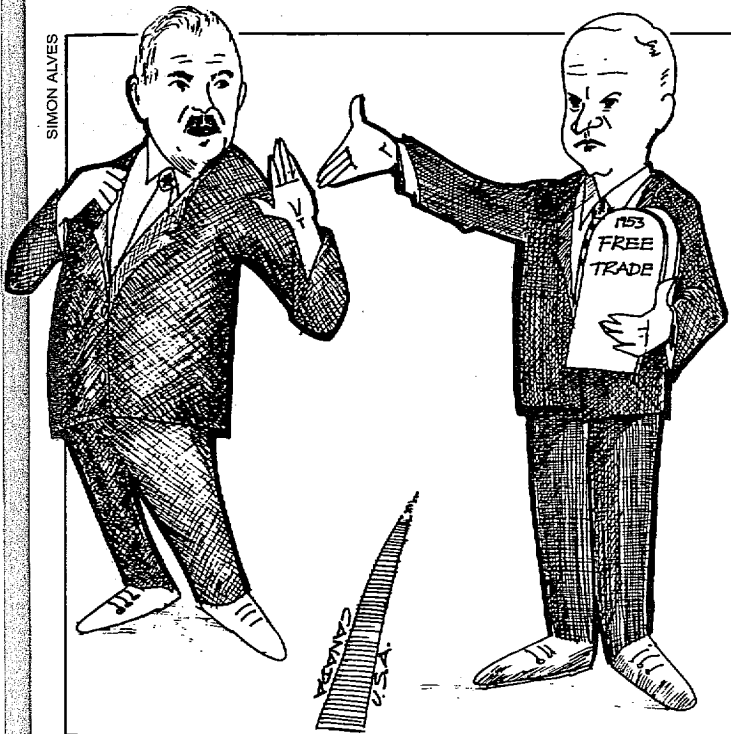
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replied the same day, telling the Embassy that both he and the Prime Minister were "strongly of the view that the question of a free trade area is not one that should be pursued through the proposed Joint Economic Board or at this time through any other channel." He added, "our general conception of any joint economic body is that it should be primarily concerned with ironing out difficulties and preventing actions which might give rise to irritations in trade matters between the two countries." Displaying the sensitivity with which Ottawa regarded the free trade issue, Pearson directed his officials to "at once remind the State Department that the somewhat casual way in which this matter was raised by Mr. Wilson did not constitute a discussion and therefore no public reference of any kind should in our opinion be made to this matter as one arising out of our visit to Washington."



Please, Mr. President, not while I'm campaigning

Embassy officials showed Pearson's message to Livingston Merchant on May 15. Merchant agreed to treat the joint economic board inquiry as a separate subject but, in his view, the State Department had a responsibility to carry out the President's free trade instruction. Merchant accordingly proceeded to implement Eisenhower's order, and plans were made to detail Woodbury Willoughby, Economic Counsellor at the US Embassy in Ottawa, to Washington to take charge of the studies. Willoughby, who had participated in the 1947-48 Canada-US free trade talks, favored creation of the joint economic board. But he was no more enthusiastic about the free trade proposal than the Canadians had been. As he put it, "There is no possibility that the Canadian Government will consider a customs union or anything even remotely resembling one in the foreseeable future. Under these circumstances it would not seem worthwhile to put much time on analyzing the im-

pact. . . . About the only thing that could be done on this general subject," he thought, "would be to explain what the alternatives are and why they would be unacceptable to the Canadian Government. This would lead to the conclusion that the best available course is the multilateral approach which we have followed in recent years and which the Canadians so strongly urge at the present time." (Willoughby's three years in Ottawa appear to have sharply altered his perspective on Canada-US free trade. At the time of the 1947-48 negotiation, he had written that those talks provided "a unique opportunity to knit the two countries together — an objective of United States policy ever since the founding of the Republic.")

Washington's persistence

But when Willoughby returned to Washington in early June he found that the State Department's interest in free trade had not diminished and that he was still expected to proceed with the proposed study. Willoughby alerted Hume Wrong, Canada's ambassador in Washington, who decided to reinforce the former's efforts to put the project "deeper into cold storage" than earlier representations had done. Wrong met with Livingston Merchant, Willoughby and other State Department officials on June 10. The ambassador recorded that he told the meeting that, as he saw it, there were only two circumstances in which Ottawa would seriously consider free trade. These were,

in the event that world trade shrank drastically and hope of restoring a multilateral system vanished; or, alternatively, in a happier situation where the United States was moving vigorously towards a more liberal commercial policy and was actively supporting a new attempt on a worldwide scale to achieve convertibility of currencies and remove quantitative restrictions. The present situation, on the other hand, in which the main lines of United States commercial policy were still undetermined, was not propitious for studying the possibility of a free trade area between the two countries.

Wrong warned the Americans that "serious trouble and embarrassment could be caused if it leaked out that this possibility was being considered. Free trade between Canada and the United States," he reminded them, "was a subject with a long political history and dangerous political ramifications in Canada."

Ambassador Wrong's message had its intended effect. He reported that "After a number of suggestions had been briefly considered and rejected, Merchant said that he thought it would be enough for the State Department to report briefly to the President that, in their opinion, such a project would not be feasible at this time." The State Department's subsequent memorandum to the President recommending the establishment of a US-Canada Joint Committee on Trade and Economic Affairs noted simply that the free trade idea "presents many practical difficulties on our side and we are informed that the Canadians under present and probably foreseeable conditions would not consider it. We believe, therefore, that it is undesirable to pursue it at this time." Eisenhower approved the memorandum without comment.

Unknown bit of history

Joint Economic Committee at most

There is no evidence that President Eisenhower and Prime Minister St. Laurent discussed free trade at their Ottawa summit later that year, November 13-14, 1953. On the eve of that meeting the two governments announced the creation of the Joint Committee on Trade and Economic Affairs to "consider matters affecting the harmonious economic relations between the two countries." An accompanying press release pointedly stated that "The activities of the Joint Committee will constitute one aspect of the efforts of both countries in promoting satisfactory trade relations on a multilateral basis throughout the free world." (The Committee met thirteen times between 1954 and 1970, but has been dormant since then.)

Although the 1953 experience sidetracked the Eisenhower administration's interest in free trade, it did not permanently derail it. The idea reappeared in 1957 when Clarence B. Randall, Chairman of the administration's Council on Foreign Economic Policy, promoted the concept of Canada-US economic integration as a parallel to the emerging European Economic Community. However, the proposal never went beyond the study stage as alert State Department officials, reinforced by the views of Norman Robertson, then Canada's ambassador in Washington, effectively frustrated the project.

The Eisenhower administration's preoccupation with free trade shows that American governments' conceptions of the Canada-US relationship could be stubbornly persistent. Indeed the case is reminiscent of President Ronald Reagan's later "North American Accord" idea. Reagan first advanced the concept — a simplistic scheme for overall economic cooperation, including energy-sharing, among the US, Canada and Mexico — during his successful campaign for the 1980 Republican presidential nomination. Neither Canada nor Mexico warmed to the idea. In May 1980 Prime Minister Pierre Trudeau and Mexican President Lopez Portillo took the unusual step of issuing a joint statement repudiating the concept of comprehensive trilateral economic cooperation. Yet it was not until 1982 that it disappeared from President Reagan's public statements.

It is clear that experienced State Department officials can play an important role in helping to develop accurate American perceptions of Canada and in thwarting oftentimes well-intentioned but uninformed US designs for the relationship. However, in the end it is Canadian governments which must establish a clear picture of Canada's separateness in the minds of American officialdom. Moreover, given the traditional US preference for expansionist solutions to bilateral issues, it is frequently up to Canada as the lesser country in the relationship to set the limits of cooperation in collaborative enterprises with its large neighbor. □

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An Arctic foreign policy for Canada

by Gerald Graham

After years of neglect, Canada may be on the verge of having an Arctic policy — or at least an Arctic foreign policy. A number of recent developments have increasingly drawn our attention to the polar region. There was the transit of the United States ship the *Polar Sea* through the Northwest Passage, and the loss of European markets for northern seal products. In June 1986 there was the Report of the Special Joint Committee of the Senate and of the House of Commons on Canada's International Relations entitled *Independence and Internationalism* (better known as the Hockin-Simard Report, after the joint chairmen). This was followed in December by the government's reply entitled *Canada's International Relations: Response of the Government*. The parliamentary study emphasized the need for a thorough review of how we regard the Arctic, in both its domestic and international dimensions.

Domestic and foreign Arctic policy

The Parliamentary report cited the need for a 'coherent Arctic policy.' Unfortunately, this country still does not have one. Not since Jean Chretien's 1972 pronouncement placing people and the environment ahead of economic development has there been any serious attempt on the part of the government to develop an Arctic policy. Instead, what we have is a series of often unrelated and sometimes conflicting policies dealing with such important matters as sovereignty, economic development, land claims and protection of the environment.

The government has, to its credit, taken a number of steps on the sovereignty issue. In September 1985 the Secretary of State for External Affairs, Joe Clark, announced a number of measures intended to buttress our claims to the North. These included the drawing of straight baselines around the Arctic archipelago, an enhanced military presence, and plans to build an Arctic Class 8 icebreaker.

Still, our approach to both northern and circumpolar affairs has been a patchwork one over the years. The present government has until now shown little interest in developing a domestic Arctic policy. In responding to the Hockin-Simard Report it has, however, recognized the need for such a policy, and for achieving consistency between foreign and domestic policies in the polar region. Still, the absence of a coherent domestic Arctic policy has not deterred the government from unveiling what it considers to be the basis for an integrated and comprehensive northern foreign policy.

The government, we are told, intends to attach a higher priority to the northern dimension of Canada's foreign relations. Henceforth, northern foreign policy is to have four dominant themes:

1. buttressing sovereignty over Arctic waters;
2. modernizing northern defences;
3. preparing for commercial use of the Northwest Passage; and
4. expanding circumpolar relations.

The government notes the interrelated nature of these themes, and the fact that they provide essential balance and support one another. Let us briefly examine each of these themes in turn.

Sovereignty

Implementation of Mr. Clark's September 1985 action plan continues. Talks with the United States concerning the status of the Northwest Passage, which Canada considers internal waters but which the United States considers an international strait, are in progress. Plans are proceeding apace for construction of an Arctic Class 8 icebreaker. The Canadian Offshore Application Act has been introduced into Parliament. More importantly, we are informed that "additional sovereignty enhancing measures are being developed." Finally, the key role of Canada's Inuit in our northern presence, including the historical development of our Arctic claims, is recognized. Their interests in northern foreign policy are to be fully taken into account. However, this falls short of including them in the formulation of foreign policy, something they have sought in the area of environmental agreements, for instance.

Defence

Since 1985 Canadian airborne patrols in the Arctic, as well as naval activity in the eastern Arctic, have been increased. This growing militarization includes installation of the North Warning System, upgrading of northern airfields to handle fighter aircraft, and the renewal of the

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Time for coherence

NORAD Agreement. The acquisition of new submarines is also being explored.

The government notes the growing strategic importance of the entire Arctic region, which in its opinion polls makes demilitarization "extremely unlikely" for the time being. Having said this, the government will strive to limit "excessive" militarization of the Arctic.

Commercial use of the Northwest Passage

Canada intends to encourage international shipping through the Northwest Passage, which the government considers to be a Canadian waterway subject to Canadian laws. Pollution prevention measures will be intended to facilitate rather than impede navigation. The sovereignty element in controlling shipping through the Passage is clearly and forcefully expressed in the government's response to the Joint Committee.

Circumpolar cooperation

Currently Canada has limited cooperation with the United States in the Arctic. There is a 1984 protocol on Canada-USSR cooperation in Arctic sciences, plus a Marine Environmental Cooperation Agreement with Denmark. Mr. Clark's response to the Hockin-Simard Report indicates that further cooperation will only be pursued if resources become available. This country will, however, be appointing an honorary consul in Nuuk, the capital of Greenland. It is also considering sending high level delegations to Nordic countries, and organizing symposiums to consider Arctic issues.

Lastly, the government acknowledges that the Inuit Circumpolar Conference (ICC), an international non-governmental organization linking Inuit from Canada, the United States and Denmark, has an important role to play in circumpolar relations. In the past the government has displayed a lukewarm attitude to the ICC, whose resolutions are often at variance with government policy.

HOCKIN-SIMARD RECOMMENDATIONS AND GOVERNMENT RESPONSE

The Special Joint Committee made a total of nine specific recommendations relating to Canada's Arctic foreign policy. Each of these recommendations, along with the government's response, will be briefly examined.

1. Development of an Arctic foreign policy

The government accepts the need for such a policy and, as mentioned above, has outlined the four basic themes which are to constitute it.

2. Land claims settlement and development of renewable resources

The necessity of achieving settlement of land claims in the North, with the Dene and Metis of the Mackenzie valley and the Inuit of the eastern Arctic, is recognized by the government. The government's new land claims policy, announced in December 1986, could pave the way for settling northern claims. The claim of the Inuvialuit of the western Arctic was settled in 1984.

On the question of renewable resources, however, the government appears to reject the Committee's call for strenuous efforts to resist campaigns against fur products,

preferring instead to support the efforts of private groups such as *Indigenous Survival International* in this area. The seal controversy is cited as an example of government ineffectiveness. The Department of External Affairs has in the past been criticized for the collapse of the seal market and for failing to defend vigorously in Europe the sealing industry.

3. Funding of the Canada-USSR exchange program

The Committee recommended, and the government accepted, that this Arctic program's funding be strengthened.

4. Development of circumpolar cooperation

The Committee recommended a concerted program to develop cooperative arrangements with all northern states. For its part, the government promised to explore ways to expand both bilateral and multilateral relations through visits, bilateral discussions and formal agreements.

5. Development of relations with Greenland

The government accepts the Committee's recommendation that Canada pay particular attention to developing good relations with Greenland, where Home Rule is now in effect. Given the decision to reduce our representation abroad, which included closing the Embassy in Helsinki, Mr. Clark could hardly embrace the Committee's call for the establishment of a Consulate in Nuuk, the principal community in Greenland.

6. Acceptance of Canada's claim to the Northwest Passage

The government sidesteps the Committee's call for renewed efforts to secure the agreement of the United States to this country's claim that the Passage is internal waters rather than an international strait. We are merely informed that since September 1985 discussions "have been underway."

7. Submission of the Passage dispute to the International Court of Justice

The Committee suggests that in spite of the absence of an agreement concerning navigation through the Northwest Passage, the government should nonetheless wait before going to the World Court. The government is of the view that to comment on alternatives to negotiation would be premature.

8. Equipping the Canadian Navy with diesel electric submarines

The government appears to accept the Committee's suggestion for it to consider the possibility of equipping the Navy with such submarines, which are expected to be capable of operating under the Arctic ice.

9. Demilitarization of the Arctic region

The government politely rejects the Committee's controversial recommendation that Canada, along with her polar neighbors, seek the demilitarization of the Arctic region on the grounds that it "does not seem practicable," since the Soviet Union is unlikely to cooperate. No mention is made of the willingness of the United States to cooperate.

EVALUATING REPORT AND RESPONSE

The Special Joint Committee was undoubtedly correct in citing the overall need for an Arctic and circumpolar policy. For its part, the government has chosen to outline a circumpolar policy even though we have no coherent Arctic policy on which to base it. In spite of this limitation, the choice of the four themes mentioned above — sovereignty, defence, use of the Passage and circumpolar cooperation — is a sensible one. On the whole these themes appear to be mutually compatible and self-reinforcing. There is, however, no indication as to whether these themes are listed in order of priority.

The Committee's suggested "wait and see" approach to adjudication of the Northwest Passage dispute with the United States is also sensible, particularly since commercial transit of the Passage cannot now be expected before the late 1990s, given the energy situation. It is not clear, however, how the Canadian government would react to another attempt of transit by a US Coast Guard icebreaker. The passage by the *Polar Sea* was a direct challenge to Canadian sovereignty, thus it may be in Canada's interest to secure American agreement to our claims in exchange for agreeing to transit. Whether the United States, with its global security interests, would find this a palatable solution is another matter.

The call by the Committee for the promotion of northern renewable resource development is enlightened. Given the finite nature of non-renewable resources, sagging markets and high northern exploration and development costs, the renewable sector may be the only economic hope for a viable North in the long term. Thus, one can only regret Mr. Clark's shortsighted response to the Committee's recommendation.

Greenland relations

The Committee points out the growing need for good relations with Greenland. Quite aside from our fishing and mining interests with this autonomous part of Denmark, the area is one of strategic importance. Overtures have already been made by East Bloc countries to curry favor with Greenland's Home Rule government, and an ICC resolution called for the removal of the US base at Thule.

The Committee did not comment on the question of whether building an expensive Arctic Class 8 icebreaker was a good idea. Opinion is divided on this issue, and the Committee felt it lacked the expertise to make a recommendation. It might well have refrained from commenting on another, more complex, issue — the demilitarization of the Arctic. On this topic the Committee's thinking was muddled at best, and this confusion is reflected in its recommendation.

Citing proposals that the Arctic Ocean be declared a nuclear-free zone, the Committee dealt with the question of whether an Antarctic-type regime should be promoted for the Arctic region. It correctly pointed out that the geopolitical situation in the two regions was completely different. Unfortunately, it arrived at this conclusion for all the wrong reasons. To cite but one example, the Report mistakenly asserts that Antarctica belongs to no country, whereas in fact the very real claims of seven countries have only been "frozen" (since 1959). The Committee appears to reject the notion of a nuclear-free zone declaration for

the Arctic, on the grounds that the support of the two superpowers would be required. Having said this, however, it goes on to recommend the "demilitarization" of the Arctic region. At first blush this would appear to go *further* than a nuclear-free zone declaration. If this interpretation is correct, one wonders how this recommendation is meant to relate to the Committee's earlier call for a heightened Canadian defence presence in the Arctic.

Mr. Clark's response to the Committee indicates that more sovereignty gestures are in the cards. After the flush of moves announced in September 1985, it will be interesting to see what the government has in mind. It may be contemplating the creation of a 200-mile exclusive economic zone off all our coasts. Notably lacking in both the Committee Report and the government's response to it is any mention of the Diapor maritime boundary dispute with the United States in the oil and gas-rich Beaufort Sea. This could heat up in 1987.

Neglected environment

Perhaps the most overlooked area of Canada's nascent Arctic foreign policy is the environment. Protection of the environment was undoubtedly a dominant Arctic concern during the 1970s, starting with the passing of the Arctic Waters Pollution Prevention Act (AWPPA) in 1970, and followed by Mr. Chretien's aforementioned statement in 1972 and the Berger Commission report on the Mackenzie Valley pipeline in the mid-seventies. In the eighties, however, the northern economy has assumed greater priority. As the Beaufort Environment Assessment Panel (BEAP) indicated, small scale development projects are acceptable in the North, subject to stringent environmental controls. With acceptance of the "ice-covered areas" clause in the Law of the Sea Treaty, Canada is no longer as concerned about threats to her environmental security; vindication internationally of the AWPPA has led the government to withdraw its exception to the World Court's jurisdiction in matters of Arctic marine pollution. Nevertheless, as discussed below, there is a host of international environmental problems outstanding in the Arctic, problems that have not been reflected in either the Committee's Report or the government's response to it. Protection of the environment does not figure among the four themes listed, although it does appear as one of the eight headings for circumpolar cooperation.

SCOPE FOR INTERNATIONAL COOPERATION

One of the more encouraging aspects of the government's response to the Hockin-Simard Report is the announcement that it intends to explore ways to cooperate with all northern states in areas of mutual interest. There are some real possibilities for future bilateral and multilateral cooperation in trade, security, native people, environment, economic development, education, health, and science and technology, even though to date there has been relatively little multilateral cooperation of a formal nature in the Arctic. One exception is the 1974 Polar Bear Convention. Informal cooperation occurs within the ICC and

Time for coherence

the Comité Arctique, a Monaco-based non-governmental organization which promotes Arctic science. There is little likelihood of an Antarctic-style regime for the Arctic until such time as the strategic importance of the region subsides. Nevertheless, there is a raft of circumpolar matters which demand attention, both here and abroad. A non-exhaustive list is shown in the chart.

Conclusion

As we move toward the 21st century, Canada is beginning to take a number of steps in the area of Arctic foreign policy. Not surprisingly, most of these initiatives have to do with protecting fundamental national interests, i.e., sovereignty and defence. Nevertheless, there is an indication that certain tentative steps will be taken on other problems in the region. One should not expect rapid progress in the Arctic: the pace of developments in the region is relatively slow, and southern rather than northern concerns often predominate. East-West tensions also play an important part.

Canada has much to learn from the experience of her polar neighbors, and much knowledge to impart as well. What this country lacks is a forum to draw together the various people concerned with Arctic and circumpolar matters — government, scientific and academic communities, native groups and non-governmental organizations. One can only hope that the Canadian polar institute prom-

Canada's circumpolar agenda	
Subject	Issue
Trade	Sale of northern technology abroad.
Security	Cooperation with NATO allies; possible demilitarization or military free zone.
Native people	Role in decision-making process; system of self-government; role of ICC in international arena.
Environment	Acid rain; Arctic haze; greenhouse effect; protection of the marine environment.
Economic development	Joint ventures in mining and oil and gas development; promotion of renewable resource industries such as fishing, trapping and sealing.
Education	Experience of other northern countries in native education.
Health	Provision of northern health care services.
Science and technology	Creation of a Scientific Committee on Arctic Research; joint use of ice islands.

ised in September 1985 by the then Minister of Indian Affairs and Northern Development, David Crombie, will draw these various communities together into a united Arctic effort. □

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Foreign aid and human rights

by Terence A. Keenleyside

There has been considerable discussion in Canada about relating Canadian aid disbursements to the human rights performance of recipient states. By and large, this debate has been conducted in the negative political context of Canada's taking punitive action against serious human rights violators. In the late 1970s, for example, two Private Members' bills were introduced in Parliament with the intent of prohibiting Canada from providing economic assistance to any state guilty of consistent and gross violations of human rights. Later, in 1982, the Parliamentary Subcommittee on Canada's Relations with Latin America and the Caribbean, in its final report, recommended that "Canadian development assistance 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." As recently as June 1986 this position was reaffirmed in the Report of the Special Joint Committee on Canada's International Relations. The question of applying human rights criteria to aid decisions in a more forceful manner than before has also been a matter of considerable bureaucratic deliberation within the Department of External Affairs and the Canadian International Development Agency (CIDA).

Aid advances human rights

The increased attention to this important dimension of the broader issue of the role of human rights in Canadian foreign policy generally is commendable. However, with much of the deliberation focusing on the political question of the possible application of strictures to Canadian aid, there is some risk of losing sight of the ultimate means of evaluating the compatibility of Canadian aid with the human rights values Canadians cherish at home and strive to strengthen abroad. The most important measure is the extent to which Canadian aid serves to meet basic needs in accordance with the UN Covenant on Economic, Social and Cultural Rights to which Canada is a signatory. Bernard Wood, the Director of the North-South Institute, speaking to a conference organized by the Canadian Human Rights Foundation, affirmed this point. He claimed that "all aid is or should be about human rights," since "it is supposedly an instrument for the promotion of economic and social rights and the basic standards of a minimum decent existence for those who do not have access to them." Yet, in the recent discussion over a tighter linkage of Canadian aid to human rights performance, there is often a tendency to give insufficient attention to

this central purpose of the Canadian aid effort, and to accept the notion that Canadian assistance is given to serve a number of national objectives — developmental, commercial and strategic in nature — to which is now to be added that of enhancing global human rights observance.

This tendency was noted in a recent article by Martin Rudner, the author of a 1983 study for CIDA, on aid conditionality and human rights. In his article in *Canada Among Nations*, Professor Rudner makes the point that increasingly there are calls for use of the aid program as a political instrument to achieve a range of Canadian policy goals, of which a higher level of human rights observance is only one. "Such demands," he argues, "for a more politicized approach would treat development assistance expressly as an instrument for the promotion of politically determined objectives, and reinforce the movement away from the earlier poverty-focused strategy." Approached this way, the advancement of human rights via the aid program would become divorced from the central goal of equitable economic development, rather than the two objectives being inextricably linked, and human rights promotion would thus simply become tacked on as one more of an expanding number of considerations underlying Canada's provision of development assistance. Under such circumstances policymakers would then be left to determine what priority to give to human rights vis-à-vis other goals of the aid program, rather than human rights — especially in the sense of meeting the basic economic and social needs of the world's most disadvantaged — serving as the central ordering principle for Canadian aid.

Commercial benefit follows good aid

It must, of course, be acknowledged that the promotion of Canadian security and commercial interests is an inevitable and legitimate foreign policy goal. However, a strong case can be made that by and large these aims are not advanced by their acting directly as the rationale for specific aid decisions, but rather that they are best realized by Canadian aid serving to promote within developing countries the whole panoply of human rights — political, civil, economic, social and cultural. With regard to Canadian strategic interests, for instance, there may be apparent short-term advantages to concentrating aid, unrestricted as to amount or form, on some strategically located

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Helping the poor helps rights

recipient despite its serious rights violations, including an absence of commitment to equitable economic development, in order to entice it to pursue foreign policies compatible with Canadian interests. However, to do so, without concern for whether or not Canadian assistance is meeting the needs of the most economically and socially deprived in that country is likely in the long run to prove counterproductive when inequitable development and repression lead to internal strife and revolution and a reaction against the supporters of a now discredited and vulnerable regime.

Similarly, with regard to Canadian commercial interests, it can be argued that these are best fostered by an aid program that revolves around the notion of furthering human rights, rather than one that sees the promotion of rights as only one of several competing interests. Stable Third World states that have achieved egalitarian economic and social development will in the long run make better trade and investment partners for Canada than countries where persisting violations of economic, social, political and civil rights serve to perpetuate underdevelopment, inequality, and a concomitant climate of political and economic uncertainty.

Further, there is strong evidence indicating that the aid program is in any event an impractical and costly instrument through which to attempt to obtain direct trade and investment benefits for Canada. To argue, then, that the promotion of human rights in all their aspects, and especially the meeting of basic economic and social needs, should be the *raison d'être* of the aid program, is not to discount the inevitability of Canada, like other countries, acting on the basis of national interest, but rather to suggest that in almost all instances it is likely to be in Canada's long-term interest to take such an approach.

Concentrating on the neediest

In theory at least, Canadian aid is grounded in a concern for human rights. Since the adoption of the 1975-1980 development strategy (which recognized the failure of the capital-intensive development efforts of the past to reduce income disparities in developing countries), CIDA's program has aimed at meeting basic economic and social rights by concentrating on "those countries which are at the lower end of the development scale" and on "the critical problems of their poor majority." Those problems are especially food production and distribution, rural development, education and training, public health, shelter and energy.

Canada, according to this approach, allegedly chooses as "major development partners" countries which are "increasing their own efforts in well-conceived national development plans" to improve "the state of the majority of their population" (Paul Gerin-Lajoie in *Shaping Tomorrow*, 1975). Indeed, it is this objective to end "the crushing oppression of poverty" that has served as the government's rationale for rarely restricting aid flow to states that persistently engage in such gross human rights violations as arbitrary arrest and protracted detention without trial, summary execution and torture. The victims of oppression should not, therefore, be "doubly penalized" by the withdrawal of aid (*Elements of Canada's Official Development Strategy*, 1984). As former Prime Minister Trudeau once put it, Canada has "not made it a condition of assistance to

starving people in the Third World that their government be above reproach" (House of Commons *Debates*, March 2, 1977). What this official justification for withholding punitive action strongly implies is that aid should not normally be curtailed, since by its very nature it is oriented towards enhancing human rights in the sense of meeting the basic economic and social needs of the most underprivileged.

Strengths of Canadian aid

In assessing the efficacy of the Canadian aid program from the standpoint of the above professed central objective, it must first be acknowledged that the Canadian developmental effort is characterized by certain strengths: absolute disbursements have increased regularly since the 1960s during years in which the programs of some other donors, most notably the United States, have lagged; a high proportion of government-to-government disbursements is in the form of grants; and Canadian loans have been on very generous terms. Further, there have been several creative Canadian initiatives relevant to meeting basic economic and social needs: a program of matching grants to NGOs which, in turn, through private agencies in Third World countries, support developmental projects targeted at the most disadvantaged; the creation of the International Development Research Centre (IDRC), which, operating with an international board of governors, has directed funds at research in the Third World itself on grassroots developmental problems; and the recent establishment of an Integration of Women in Development section within CIDA to ensure that Canadian projects encompass women as well as men and that both sexes benefit from project implementation. Further, there is some evidence of sensitivity to other potential problems related to achieving equitable social and economic development, most particularly in the suspension in 1985 of Canadian aid to Sri Lanka for the gigantic Mahaweli River dam and irrigation scheme in part on grounds that the Sri Lankan government's resettlement plans for the affected region entailed discrimination against the Tamil minority community.

Weaknesses of Canadian aid

Despite these encouraging aspects, there are, however, major deficiencies when Canadian aid is evaluated from the perspective of meeting basic needs. First, looking at overall Canadian performance, it must be noted that in relative terms, i.e., as a proportion of Gross National Product, Canadian aid disbursements have been relatively stagnant over the past fifteen years, varying between .42 and .56 percent. Thus, despite committing itself on a number of occasions to various modest, internationally established targets, ranging from .7 to 1 percent of Canadian GNP in the form of aid, Canada has consistently fallen short of reaching these goals and has frequently had to revise its timetable for meeting its declared objectives. In the autumn of 1984, for instance, the Mulroney government announced that the government's latest plan to reach .7 percent by 1990 was being changed to 1995, and then in February 1986, in the face of cuts in projected aid spending, a further deferral was announced, with the government now committing itself to only .6 percent by 1995.

The events of December 1986/January 1987

international canada

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Bilateral Relations

USA

Freer Trade Negotiations

Free trade continued to receive much attention during this 2-month period. A report at the beginning of December said that Canadian negotiator Simon Reisman had met with Ontario's Minister of Consumer and Corporate Affairs Monte Kwinter on December 1 to persuade the Minister to introduce in the Ontario legislature a plan which would allow for full foreign ownership of Ontario investment houses by June 30, 1988. The plan was announced on December 4. The report said that the quid pro quo sought by Mr. Reisman from the American negotiators was elimination of the state banking laws which restricted a Canadian bank to operations in one state only. It also said that US negotiator Peter Murphy did not have authorization to bring the financial services issue to the negotiating table, and that the Canadian negotiating team would be dealing directly with the US Treasury (*Ottawa Citizen*, December 5).

On December 9 Senator Lloyd Bentsen, chairman of the US Senate finance committee, and three of his committee members met in Ottawa with Prime Minister Brian Mulroney, International Trade Minister Pat Carney, opposition leaders, government officials and businessmen. "We're here because we want to see [free trade negotiations] moved, because we want to see it pushed," Mr. Bentsen said after meeting with the Prime Minister. He added that he thought the chances of reaching an agreement were very good, but warned that both sides must make concessions if the January 3, 1988, US Senate deadline were to be met. Possible stumbling blocks, he said, were Canada's concern for its cultural sovereignty, intellectual property rights, investment and changes in the auto pact. Despite these concerns, however, the Senator told Mr. Mulroney that there was "major support" for a free trade agreement in the US Senate (*Ottawa Citizen*, December 10).

Canada's ambassador to Washington, Allan Gotlieb said while Senator Bentsen was in Ottawa that stepped-up lobbying activities by Canada in Washington were needed in order to counter US protectionism and make a free trade deal possible. "The current trend towards protectionism in the US is not a short-term phenomenon likely to be reversed in the foreseeable future," Mr. Gotlieb told the Toronto Harvard Business Club. "It would be foolhardy for [the US] to leave our access to the vagaries of the local and

sectional politics that are the bread and butter of the Congress, or to the twists and turns of GATT [the General Agreement on Tariffs and Trade] diplomacy where Canadian interests may be trampled in the marathon struggles between the economic superpowers . . . We need the legal framework of a bilateral agreement to make trade less political and more predictable" (*Globe and Mail*, December 9).

As the next round of talks approached, Prime Minister Brian Mulroney told the House on December 10 that he had told Senator Bentsen "that if the ultimate deal was not in our favor then there would not be a deal, that it would be rejected." The Prime Minister also told the House that he had told Senator Bentsen that cultural issues were important to Canada and that there was no reason to include discussion of the auto pact in the negotiations.

After the first day of talks in Washington on December 16, Simon Reisman said that the talks would be held in future more frequently than once a month, and that "we've agreed to give the working parties more intensive work to do." Mr. Reisman added, "We both have the sense we can come to an agreement. I can tell you we're in perfect harmony. [Peter Murphy] had much the same attitude." The report said that the December 17 and 18 sessions would cover the progress of the working groups, while officials met into the night on December 16 to discuss the softwood lumber issue (*Globe and Mail*, December 17).

At his year-end press conference on December 19, Prime Minister Brian Mulroney said he was prepared to take the "risks and sacrifices" necessary to foster freer trade because he knew "no other way to boost Canadian employment significantly . . . Our objective is job creation and wealth at home" (*Globe and Mail*, December 20).

Opposition Leader John Turner at his year-end press conference said, "There is going to be no comprehensive trade agreement because no Canadian government can afford to open the auto pact or can afford to dismantle our agricultural support programs, or surrender the cultural integrity and identity represented by broadcasting or television or our films, or our book publishing for that matter." Mr. Turner cited the need for multilateral trade negotiations, rather than a US-Canada deal. "Unless there's some restriction on [the threatened 15 percent countervail duty on Canadian softwood imports into the US] then any agreement with the US won't be worth the paper it's printed on,"

he said (*Globe and Mail*, December 22).

In early January International Trade Minister Pat Carney announced that sixteen "trade irritants" had been dropped from the free trade negotiations so that they could be dealt with separately. A spokesman for External Affairs said that the list included:

- US anti-dumping duties on Canadian salt cod, color picture tubes, potash and brass;
- US import surtax passed into law in October (See "International Canada" for October and November 1986);
- US investigations of lead, zinc, magnesium and printing imports from Canada which could lead to tariff action;
- taxation on world earnings of Canadian-based multinational corporations by some American states;
- blanket application of US trade law aimed at patent protection;
- Canada's 10 percent tariff on English language books imported from the US;
- countervailing duties applied by the US against certain varieties of fresh-cut flowers and Canadian duties applied to US corn imported into Canada (*Ottawa Citizen*, January 9).

US negotiator Peter Murphy, in a Washington speech on January 13, said that the auto pact had been negotiated "with the clear understanding there would be no further duty remission and the safeguards in that arrangement were temporary." He made it clear, the report said, that the US had no intention of excluding auto trade, which accounted for one-third of US-Canada trade, from the free trade talks. "I can't imagine that in this type of arrangement that we could go in and exclude one-third of our trade," Mr. Murphy said (*Ottawa Citizen*, January 13). The report also said that Charles Stedman, the senior Canadian negotiator in charge of automotive issues, had denied stating in a meeting with Ontario government officials that the auto pact's production safeguards were meaningless. "Our view is that the auto pact is working just nicely, thanks very much, and it's not any kind of priority with us," said Mr. Stedman.

An *Ottawa Citizen* report on January 14 quoted Simon Reisman as saying on January 13 that "The auto pact has history to it. It's working well. The truth is that the industry is way above it, but that doesn't mean you shouldn't leave it in place." Mr. Reisman's comments marked the first time he had explicitly and publicly opposed altering the auto pact safeguards, the report said. Premier Peterson the same day called the auto pact "the most important document we have in this province — indeed in this country — in terms of generating wealth, and I could not stand by and see that eroded in any way." The report also said that NDP leader Ed Broadbent was not confident that the auto pact would be protected, in light of the agreement reached in the softwood lumber dispute (See Bilateral Relations — US — Softwood Exports, below). And Liberal trade critic Lloyd Axworthy said in Washington that "pressure to have a quick deal" on free trade would compel the Prime Minister to give in on the auto pact, the report said.

US ambassador Thomas Niles said in Toronto on January 13 that the US government had no intention of amending the auto pact, which he called "one of the real success stories of US-Canada trade," adding that "as far as I am aware, we don't have any agenda, hidden or

otherwise, for changes in the auto pact" (*Globe and Mail*, January 14).

While conflicting messages were being sent out by the US government on the auto pact, Peter Murphy addressed a Canada-US trade conference in Washington on the subject of Canadian culture. Contrary to the impression created in Canada by the media, he said, "our objective is not to eliminate or in any way lessen Canadian culture." Mr. Murphy, responding to the concerns of Canadian nationalists that Canadian cultural sovereignty be endangered by the free trade talks, urged Canadians to "use your heads in these negotiations, not your hearts" (*Globe and Mail*, January 14).

After meeting with US Treasury Department officials in Washington on January 16, Simon Reisman said that the Canadian dollar was "not an issue for negotiation." A Treasury official confirmed that the Canadian dollar was not discussed, but admitted that "it's of concern to Congress and business" (*Globe and Mail*, January 17).

On January 21 US Vice-President George Bush and US Secretary of the Treasury James Baker arrived in Ottawa for a half-day meeting with Prime Minister Brian Mulroney and Finance Minister Michael Wilson. The meeting took place at the Prime Minister's request. After the meeting, Mr. Mulroney said that he had told Mr. Bush that free trade talks had to be given higher priority and treated with more sensitivity by the US administration (*Ottawa Citizen*, January 22). Mr. Bush and the Prime Minister said that the auto pact had not been discussed in the meeting, and Mr. Bush added that "we view the free trade discussions as very important and very possible to bring to fruition," the report said.

Ontario Premier David Peterson went to Washington on January 26 where he met with various US senators and trade officials. Mr. Peterson reported that US special trade representative Clayton Yeutter had given him "no assurances one way or the other" that the auto pact would not become a negotiable item in the free trade talks. An aide to Mr. Peterson said that the Canadians were told in the meeting with Mr. Yeutter that the United Auto Workers union was applying a great deal of pressure to renegotiate the pact (*Globe and Mail*, January 28).

On January 27 US President Ronald Reagan in his State of the Union Address to the US Congress specifically mentioned the free trade talks with Canada. "We will work to expand our opportunities in international markets through the Uruguay round [of GATT talks] and to complete a historic free trade arrangement between the world's two largest trading partners — Canada and the United States," the President said. In a separate briefing paper accompanying his speech, Mr. Reagan said that he hoped a Canada-US agreement would serve as a model for liberalizing trade around the world (*Ottawa Citizen*, January 28).

Acid Rain

The issue of acid rain remained a controversial one in Canada-US relations during this 2-month period. A report released on December 1 by a task force of sixty federal and provincial scientists found that about 14,000 lakes in Canada had died from acid rain and up to 40,000 more would be killed unless acid rain were reduced. Half the acid rain,

the report said, came from the US. Among the results of acid rain that the task force report listed were:

- children in areas of acidic air pollution in southern Ontario had decreased lung function and more colds and allergies than those living in western Canada;
- the acidic pollution was destroying building materials, adding to repair costs for buildings and bridges;
- for the first time in Canada there was evidence that underground water sources were being acidified, posing a danger for lakes and rivers where acid rain had formerly been diluted by infusions from clean underground water;
- there was growing fear of the effects of acid air pollution on forests; heavy forest losses had been noted in Europe, and over some Canadian forests the clouds were as acidic as vinegar (*Globe and Mail*, December 2).

On December 3 US Energy Secretary John Herrington said in an interview in the *Washington Times*, in reference to the special envoys' report on acid rain which recommended the US spend US\$5 billion on an acid rain program, "We cannot apply for a \$5 billion acid rain program . . . We cannot afford it. Our deficits are too large." On December 5, after diplomatic protests from the Canadian embassy in Washington, Mr. Herrington issued a "clarification" in which he said, "The Administration remains fully committed to meeting the goals of the special envoys' report on acid rain and has no intention of scaling back efforts to meet this objective." However, a report in the *Globe and Mail* on December 6 said that Mr. Herrington had not been denying his earlier comments in the *Washington Times*. The same report said that Canada's Energy Minister Marcel Masse had met with Mr. Herrington December 4 to discuss acid rain. The Minister said after the meeting that he had "no indication" that the US would live up to its commitment on acid rain made during the Canada-US summit meeting in March 1986. Environment Minister Tom McMillan, however, said that he had been told at his meeting with Mr. Herrington that US President Ronald Reagan fully supported the US\$5 billion program and he had been assured that Mr. Reagan would honor his March pledge (*Ottawa Citizen*, December 6).

A month later President Reagan's proposed budget for fiscal 1987 called for US\$287.1 million to be spent on research related to acid rain, including \$199.1 million for the US Department of Energy's clean coal technology program, and \$88 million for other research projects, of which \$55 million would be for the Environmental Protection Agency (EPA). Environment Minister Tom McMillan reacted to the budget news by saying that "much of the proposals are expenditures that were contemplated at the time of the envoys' report and that might well have been launched anyway by the US government for domestic purposes" (*Globe and Mail*, January 8). Liberal environment critic Charles Caccia said, "The US administration has evidently forgotten that in 1983 their scientific community agreed with ours that the subject had been sufficiently studied to warrant action." And Michael Perley of the Canadian Coalition on Acid Rain said, "The budget does not address the main issue, which is emission reductions, when they will be put in place, where they will be put in place, and with what sanctions and authority they will be enforced" (*Globe and Mail*, January 8).

A report in the *Globe and Mail* on January 20 said that External Affairs Minister Joe Clark had privately chastised

US Secretary of State George Shultz in a letter dated January 15. The report quoted the letter as saying that the Canadian government was "greatly disappointed" that the US administration was not treating acid rain transborder pollution with sufficient seriousness, and that the "continued quibbling" by US officials with ample scientific evidence of the problem's gravity represented only "red herrings" that should have been laid to rest when the two countries' leaders accepted the special envoys' report in March. Mr. Clark wrote, "As I have told you, the Canadian government's aim is the earliest possible implementation of the recommendations of the special envoys in a way that achieves a real reduction in the transboundary flow of air pollution," the report said. Mr. Clark told the House on January 20, "We are deeply disturbed about the failure of the US administration so far to act on their undertakings with regard to acid rain. . . . The way to deal with differences between our two countries is . . . to make it very clear that Canada expects action on the acid rain commitments given to us by the president of the United States."

After US Vice-President George Bush met with Prime Minister Brian Mulroney in Ottawa on January 21, Mr. Bush admitted, "Yes, I got an earful" on the acid rain issue, and promised that he would brief Mr. Reagan the following day on the dispute. He said that the US administration was very sensitive to Canadian concerns about acid rain, and added that "This relationship is fundamental . . . We are determined to do our level best to keep it on the high level that it has been on in recent years" (*Globe and Mail*, January 22).

A report from Environment Canada made public on January 22 concluded that Canada would get little benefit from billions of dollars spent in the US to research ways of reducing acid-causing emissions produced from burning coal. The special envoys on acid rain had specified the need for projects that would "result in some near-term reductions in US emissions affecting Canada," but the Environment Canada report said that requirement, the most important to Canada, was the one least likely to be met. At most, the spending would cut the annual flow of air pollution entering Canada from the US by about 100,000 tonnes, a reduction of only 2.5 percent from the current total of about four million tonnes, the report said. It also said that unless the US embarked on a major pollution-control program, neither clean-coal projects nor existing pollution controls would "provide any significant reduction in US transboundary air pollution for at least the next 25 years" (*Ottawa Citizen*, January 23). Alex Manson of Environment Canada, one of the report's authors, said the report had been prepared in time for Mr. Bush's meeting with Prime Minister Brian Mulroney on January 21, and that there would be more meetings before Mr. Mulroney and Mr. Reagan met in April. He said that Canada would be pushing the US Energy Department to redirect its spending into reducing the air pollution entering Canada. Michael Perley of the Canadian Coalition on Acid Rain called such efforts a waste of time, adding that Canada's best course would be to provide information about the harm caused by acid rain to US interest groups which were lobbying for the enactment of legislation by the US Congress on the issue (*Globe and Mail*, January 23).

The *Globe and Mail* reported on January 30 that an unpublished study funded by the Canadian Forestry Service and conducted by Dendron Resource Surveys Ltd.

had concluded that spruce, pine and fir trees in Ontario and Quebec were growing only one-third as quickly in 1984-1986 as they had been thirty to forty years earlier. Dr. Leo Sayn-Wittgenstein, president of Dendron Resource Surveys, said in an interview that the slowed growth could be linked to acid rain and had significant implications for the Canadian forest industry. "Any growth decline is bad news . . . because the industry already has local wood shortages." With the advent of air pollution, Dr. Sayn-Wittgenstein said, "the forest no longer reacts normally." He added, "If there's only a 10 percent chance that this decline is due to pollution, then we've got enormous problems . . . You'll probably get the big brokerage houses in New York looking at it, and looking at the position of various stocks. They should not ignore it." Recent studies had linked acid rain to the decline and premature deaths of coniferous forests in Europe and red spruce in the north-eastern US, the report said.

On January 29 the US and Mexico signed an agreement to cut sulphur dioxide emissions from copper smelters along the Arizona-Mexico border. The agreement, which Jim Wright, chief environmental official at the Canadian embassy in Washington said had made the Canadian government "absolutely indignant," was said by US officials to have been signed to enforce a specific local standard for clean air in a region where pollution had been hurting people with asthma. Mr. Wright said, "It's great that an environmental problem between Mexico and the US has been solved and we recognize that it is a very narrowly focused agreement . . . But the fact is it deals with sulphur dioxide emissions that cross borders and the parallels are so obvious that it's not surprising that Canadians are indignant" (*Ottawa Citizen*, January 30).

Softwood Exports

The issue of Canadian softwood exports to the US remained a controversial one during this 2-month period. At the beginning of December the US Coalition for Fair Lumber Imports, a group representing the interests of US lumber producers, told US Commerce Secretary Malcolm Baldrige that the countervail duty levied in October (See "International Canada" for October and November 1986) should be higher than 15 percent, and that no deal would be made with Canada unless the increase in price was more than 15 percent. Meanwhile Mike Apsey of the Canadian Forest Industries Council said that the Canadian government should give serious thought to its offer of a 15 percent increase in prices, to come from increased provincial stumpage fees and a federal export tax. "The Canadian government's offer should be killed," he said (*Globe and Mail*, December 6).

On December 9 officials from both governments met in Washington to try to settle the dispute, but no agreement was reached at that time (*Globe and Mail*, December 10). In the House on December 10 International Trade Minister Pat Carney said that an American request for a 20 to 25 percent export tax had been rejected by the Canadian negotiators because it failed to meet criteria for a negotiated settlement which had been agreed to by the provincial premiers in November. Canada's 15 percent offer was still on the negotiating table, and "we will continue to try to

reach an agreement because we are anxious to end this dispute in a way that enables us to manage our forest resources on our own terms," the Minister told the House. She added that she remained optimistic that a settlement would be reached before the December 30 deadline for the US Commerce Department to make an imposed decision on the case.

Canadian and US officials met in Ottawa on December 13 to continue technical discussions. Details of the rejected US proposal were reported in the *Globe and Mail* on December 13. The report said that a 15 percent increase in stumpage fees requested by the US would apply to all Canadian timber production, not just softwood lumber; and that Canada's offer of a 15 percent export tax for the first year — to be followed by increases in provincial fees — would apply only to export volumes to the US. The gulf between the impacts of the two proposals, the report said, would be a wide one: the Canadian offer would raise stumpage fees by about \$600 million in Canada, compared to \$1.2 billion in Canada by the US proposal. The preliminary October finding of the US Commerce Department, the report said, had calculated a subsidy of \$1.2 billion to the Canadian industry; however, if the finding were confirmed in a final ruling on December 30, the department would impose higher duties only on export volumes to the US — in effect, \$600 million. The main objection to the US proposal by the Canadian industry was that it would raise timber prices in Canada, thus making it easier for the US producers to compete in Canada, the report said.

Negotiators met again in Washington on December 16, but the US offer made at that time was also rejected by the Canadian government. The proposal called for Canada to impose indefinitely an export tax of 15 percent on softwood lumber shipments to the US effective January 1, a US source said. The tax could only be lifted when provincial stumpage fees were increased by \$860 million per year (*Ottawa Citizen*, December 18). International Trade Minister Pat Carney told the House on December 18 that the US offer was "unreasonable . . . so unacceptable that it calls into question the US approach to these negotiations." A *Globe and Mail* report on December 19 quoted a Canadian government source as saying, "There may be a light in the window [but] it's going to be difficult."

The rejection of the US proposal brought accusations by US Commerce Department spokesman Desiree Tucker of "the Canadian government's unwillingness to reach a settlement" in light of the US industry's having "demonstrated that it is willing to accommodate the Canadian concerns" (*Ottawa Citizen*, December 20). The *Globe and Mail* reported on December 20 that the key sticking point in the negotiations was the transition arrangements for moving from a proposed 15 percent export tax to unspecified provincial measures, including increased stumpage fees. A Coalition for Fair Lumber Imports spokesman said after a December 19 meeting that his group "continues to support a real, permanent and enforceable solution but Canada has failed to offer any solution which would meet these requirements." The recessing of Parliament on December 19 meant that there would be no opportunity before January 19 for the government to introduce legislation to implement an export tax, and the resumption of talks on December 23 did not lead to an agreement. Negotiations

then broke for Christmas, with both sides predicting that they would go right up to the December 30 deadline (*Globe and Mail*, December 26).

Meanwhile, the Canadian Lumbermen's Association (CLA) said on December 26 that Canada's softwood lumber industry would extend output cuts well into 1987 because producers could not pass on the 15 percent price increase caused by the US countervailing duty. Shutdowns and cutbacks in eastern Canadian mills had begun almost immediately after the mid-October imposition of the US duty, a December 27 *Globe and Mail* report said, and would continue because US wholesalers had refused to accept the price increases. However, the report said, Canadian industry studies showed that the shortfall in US domestic lumber production was increasing, and in 1986 Canada would have supplied 32 percent of the US market, the figure on which the US industry's case for a countervailing duty had been based. Exports to the US were 14.8 billion board feet in 1986, a new record high, and a doubling in ten years, the CLA reported. A decline in housing starts of up to 9 percent was expected in 1987 in both countries, however, representing a significant difference from 1986, when they were up 7.8 percent in Canada and 6.8 percent in the US.

When the two countries returned to negotiations in Washington on December 29, a US industry spokesman said that there was only "one chance in ten" that the deadline would be met. Bill Lange of the US Coalition for Fair Lumber Imports said that there were too many outstanding issues to be resolved to be optimistic about an agreement being reached. Failure to meet the deadline would mean that the case would go to the US International Trade Commission for a final ruling by February 17 on whether Canadian imports were harming the US industry. However, Canadian officials said their priority was to avoid having such a final subsidy ruling on the books because it could be used as a precedent by the US to penalize imports of other Canadian natural resources (*Ottawa Citizen*, December 29).

Late on the night of December 30, the Canadian government announced that it had agreed to impose a 15 percent export tax on softwood exports to the US, and that legislation would be introduced when Parliament resumed on January 19 to impose and collect the tax, estimated at between \$500 and \$600 million based on exports to the US of \$4 billion in 1986. The legislation would be retroactive to January 8 (*Ottawa Citizen*, December 31). In making the announcement, the report said, Forestry Minister Gerald Merrithew and Treasury Board Minister Robert de Cotret stressed that it protected the sovereign rights of Canadian provinces to manage their own resources. However, Adam Zimmerman, chairman of MacMillan-Bloedel, was critical of the agreement, saying it "at one step creates an industrial paraplegic out of the lumber industry." Mr. Zimmerman said that the estimated \$600 million cost to the industry of the export tax represented "more than the whole profits of the industry." However, Mr. Merrithew stressed that "if we had failed to reach an agreement, an ensuing countervail duty would have resulted in the loss of significant amounts of money from Canada to the US treasury." Bill Lange of the US Coalitions for Fair Lumber Imports said that "15 percent is a good deal" and gave the US industry a chance

to compete on a more equal footing with Canadian producers who had been selling their lumber at "bargain basement prices" for years in the US, the report said. British Columbia Premier Bill Vander Zalm described the deal as "terrific." He said that Canada could not have won a fight over a countervail duty. "I have said right along that we couldn't win, with all the politics and with all the protectionism, we could not have won so this certainly is the best way," the Premier said.

On January 2 the *Globe and Mail* reported that the US and Canada were already at odds over the terms of the agreement. A December 30 letter from US trade officials to the Coalition for Fair Lumber Imports set out a list of conditions that would make it almost impossible for the Canadian government or the provinces to help companies recover from negative effects of the 15 percent export tax, the report said. The letter stated: "The US government will monitor closely the operation of this agreement to ensure that the amounts collected through the export charge or replacement measures are not returned to or otherwise used to benefit producers or exporters of Canadian softwood lumber . . . We would consider that the following actions by the governmental bodies in Canada could have the effect of offsetting or reducing the export charge or replacement measures [those actions included]:

- rebate, remission, deferral or non-collection of the export charge;
- the provision of grants, low-cost loans and other benefits;
- exemption from obligations otherwise imposed by the government of Canada and other governmental bodies in Canada;
- assumption of obligations currently borne by the producers or exporters of certain softwood lumber products;
- reduction in the price of stumpage or other charges on softwood timber harvested from provincial Crown lands;
- changes in log scaling or lumber measurement rules or procedures which affect volume determination;
- awarding contracts for silviculture, roadbuilding, recreational and other foresting activities on a non-competitive basis."

The *Globe and Mail* report said that Donald Campbell, Canada's chief negotiator at the lumber talks, had said that he was "concerned that the wording of part of the interpretation [contained in the letter] is at variance with the carefully negotiated language of the agreement itself . . . The letter from our vantage point is an unfortunate sideshow to the main event and is receiving an attention and credibility I suggest it doesn't deserve."

Negative reactions to the agreement were expressed in several quarters. International law expert Maxwell Cohen of Ottawa said, "It is a strange procedure to allow someone to monitor our own stuff . . . [The US] maintained the unilateralness of something that is joint in effect because the Americans have a right to know everything about Canada's activity, information or anything else." Judge Cohen said that Canada should have insisted on a joint commission to administer the agreement and resolve disputes arising from it. The agreement was adversarial by nature without an impartial authority, he said (*Ottawa Citizen*, January 3). The same report quoted University of Toronto economist Ian Drummond as saying that he could

not believe the Canadian government would accept American claims that provincial stumpage fees were a direct subsidy to the industry. The claims were untrue because the Canadian industry was not receiving any money from the provinces that owned the resources, he said. "It may be true that the stumpage fees are, in some sense, too low . . . that's really nobody's business but the provinces that own the lumber." Ontario Premier David Peterson, critical of the agreement, said he had been told by Mr. Mulroney at November's first ministers' conference in Vancouver that the \$600 million to be collected as an export tax every year would flow back to the provinces. "I was told that by the Prime Minister in Vancouver flatly," Mr. Peterson said. "It was the first question I asked as he embarked upon this route of discussion" (*Globe and Mail*, January 6). Retention by the US of the right to supervise compliance with the agreement and to begin a new trade action if it believed the pact had been violated meant "they will have the thumb screws on us at all times and if we don't behave they will put the blocks to us. I don't like a deal like that," Mr. Peterson added.

Positive reaction to the agreement came from the International Woodworkers of America (IWA), Canada's largest forestry union. In a letter to International Trade Minister Pat Carney, the IWA maintained that it was "absolutely essential" to keep the additional 15 percent on the cost of softwood exports in Canada, and called the export tax "the lesser of the two evils." However, the president of the Pulp and Paper Workers of Canada said that the agreement would only encourage the US to extend its protectionism to other areas (*Ottawa Citizen*, January 6).

While varied reactions to the agreement were being expressed, International Trade Minister Pat Carney said, "It was the best that could be obtained under difficult circumstances and it was negotiated on our terms." Ms Carney said that Canadian sovereignty had been protected because the US government would not have any rights in determining how or when higher stumpage fees were implemented, but only on the amount of the increase. Ms Carney also reiterated that the agreement kept in Canada money that might have gone to the US, and that it avoided the entrenchment in US law of dangerous precedents that could have resulted from a final US Commerce Department ruling (*Ottawa Citizen*, January 6).

When Parliament resumed on January 19 both Opposition Leader John Turner and NDP Leader Ed Broadbent condemned the softwood lumber agreement. Mr. Turner said, "It will go down in history as the greatest sellout in the history of our negotiations with the US . . . a shameful surrender of our sovereignty." Mr. Broadbent called the agreement "a betrayal of Canadian sovereignty," adding that "the Minister should be ashamed of herself." Ms Carney continued to say that the agreement was "the best settlement possible given the options we faced," and added that the idea that Canadian sovereignty had been diminished by the agreement was "a phony issue." Prime Minister Brian Mulroney also defended the agreement, telling Liberal trade critic Lloyd Axworthy in the House that "any suggestion by anyone that there is a word, a paragraph, or an adjective in that agreement that is at variance with the strong promotion of our national interests for sovereignty is false."

After seven days of debate in the House, legislation implementing the 15 percent export tax on Canadian softwood exports to the US was given approval in principle on January 27. The legislation then went to a Commons committee for detailed study. The *Globe and Mail* reported on January 28 that the two opposition parties were anxious to hold public hearings on the legislation.

Mulroney Trip

Italy

Prime Minister Brian Mulroney met with Italian Prime Minister Bettino Craxi in Rome on January 26. Mr. Mulroney, en route to Africa, had little to say after the meeting. It was reported later that the two prime ministers discussed the roles of Canada and Italy in the Group of Five (See Multilateral Relations — Group of Five, below).

The Vatican

On January 26 the Prime Minister also met with Pope John Paul II. The *Globe and Mail* reported the following day that the two men had discussed sanctions against South Africa, the Pope's concern for Canadian native peoples, and the Pope's planned return to Canada to visit Fort Simpson, where bad weather had prevented him from going during his 1984 visit.

Zimbabwe

Mr. Mulroney landed in Harare, Zimbabwe, on January 27 for a 3-day visit. After a colorful reception which the Prime Minister said he wished he could get in Canada (*Ottawa Citizen*, January 27), he met with Zimbabwean Prime Minister Robert Mugabe. Mr. Mulroney told Mr. Mugabe that "friends of Zimbabwe are being marshalled in support of Zimbabwe . . . We hardly expect our friends in the front-line states to prove their bona fides by committing suicide . . . We don't expect you to leave a pound of flesh before you deal with South Africa" (*Globe and Mail*, January 28). And while Mr. Mulroney made it clear that some countries could be expected to do more to help the front-line states, Canadian officials made it clear that there had been no offer of additional funds, and that "the Zimbabweans are anxious not to appear as beggars," the *Globe and Mail* report said.

On the second day of his visit, Mr. Mulroney paid tribute to the heroes of Zimbabwe's 1980 war of independence before meeting again with Mr. Mugabe. While no details of the meeting were disclosed, it was reported by the *Ottawa Citizen* that the two leaders discussed Zimbabwean human rights issues. Mr. Mulroney also announced on the same day that a joint economic commission had been formed by Canada and Zimbabwe to investigate ways of improving trade relations (*Ottawa Citizen*, January 28). A report in the *Globe and Mail* the following day said that the new trade initiative, which the Zimbabwean government was seeking in order to make its trade with South

Africa less important, would include a Zimbabwean delegation's visiting a fruit wholesalers' convention in Halifax in order to explore the Canadian market for Zimbabwean fruit, as well as visits by Canadian businessmen and trade experts to Zimbabwe later in the year.

In Victoria Falls on the final day of the visit Mr. Mugabe, along with Zambian President Kenneth Kaunda and Botswana President Quett Masire, asked for their meeting with Prime Minister Mulroney to be open to the press. In what the *Globe and Mail* called a powerful appeal to the West to support violent confrontation with South Africa's white leaders, the three African leaders were critical of US President Ronald Reagan, and of US Secretary of State George Shultz, who had told African National Congress (ANC) President Oliver Tambo the previous day that "The pursuit of violence will only lead to a catastrophe for all." Mr. Kaunda said that the white leaders of South Africa were the same people who had been detained as Nazi sympathizers during the Second World War, while Mr. Masire described the front-line states as hostages to South Africa's economic and military might. Mr. Mulroney said that the US and Britain opposed apartheid and wanted it ended as much as he did, but they disagreed on the means. Canadian officials were reported to have said that Mr. Mulroney would meet with ANC President Tambo, and that Ottawa's view of the ANC was that it was not marked by consistent violence (*Globe and Mail*, January 30).

The three African countries and Canada later that afternoon signed a hydro agreement by which Canada would give Botswana \$50 million to help link it to hydroelectric sources in Zimbabwe instead of South Africa; and Mr. Mulroney signed with Mr. Mugabe an aid accord under which Canada would give Zimbabwe \$3.8 million to improve the processing of grain and the development of drought-resistant crops (*Ottawa Citizen*, January 29).

Just before leaving Zimbabwe on January 30, Prime Minister Mulroney said that his government could not condone the use of violence by any faction of the southern African conflict. He noted that Mr. Mugabe had spent more than ten years in jail in his attempt to free Zimbabwe (then Rhodesia) from racial segregation, and that this accounted for the difference in the two leaders' attitudes toward violence (*Ottawa Citizen*, January 30). Mr. Mulroney also said before leaving Zimbabwe that while he expected "shortly" to meet with Mr. Tambo, "I don't know what we'll do in the future. I don't know where we'll be. But I see Canada very firmly on the side of those who yearn for freedom" (*Globe and Mail*, January 31).

Senegal

An enthusiastic crowd greeted Mr. Mulroney on January 30 as he paraded through Dakar with Senegalese President Abdou Diouf. The francophone country was the last on the Prime Minister's itinerary. The *Ottawa Citizen* reported that the Prime Minister would discuss plans for the Francophone Summit to be held in Quebec the following September.

During a luncheon speech on his second day in Dakar, the Prime Minister said that Canada would impose further sanctions on South Africa (See Bilateral Relations — South Africa, below).

Mr. Mulroney visited the northern region of Senegal,

on the edge of the Sahara desert, where Gandiol-Gandiol tribesmen met him. Canada had provided \$2 million in aid to the tribesmen to help them fight off the desert that threatened to turn their home into a dustbowl (*Globe and Mail*, February 2). A 5-year, \$5 million expansion of the aid program was announced by the Prime Minister during his visit to the Saharan town of Leona (*Toronto Star*, February 3).

Mr. Mulroney returned to Ottawa on February 2.

Bahamas

Mulroney Visit

During a brief visit to the Bahamas in early January, Prime Minister Brian Mulroney met with Bahamian Prime Minister Sir Lynden Pindling. The *Globe and Mail* reported on January 10 that the two men had discussed the Commonwealth approach to southern Africa. Mr. Mulroney had sought Mr. Pindling's counsel concerning his planned visit to Africa and the Commonwealth conference scheduled for Vancouver later in the year, the report said.

France

Fishing Dispute

A dispute over French rights to fish in the Gulf of the St. Lawrence came to the fore during this 2-month period (See "International Canada" for October and November 1986). In what a French report called a desire to retain "historic rights" to fishing the area (*Le Monde*, November 29), the French won in late January an interim agreement with the Canadian government which would send the maritime boundary dispute to arbitration by an international tribunal; set new quotas for the French metropolitan and St. Pierre-Miquelon fleets; and provide interim arrangements during the arbitration process, which was expected to last about four years (*Globe and Mail*, January 27).

Reaction to the announcement of the agreement was negative. Newfoundland premier Brian Peckford said, "Apparently when France rattles its swords, Canada bends its knees. It's a terrible situation and they did it behind our backs" (*Ottawa Citizen*, January 27). Fishermen in St. Pierre-Miquelon and in Newfoundland expressed fear that the agreement would allow France's metropolitan fleet to take fish needed by them. Albert Penn, the islands' elected representative in the French senate, said, "It's absolutely frustrating . . . because we are only a minute speck in the scheme of things" (*Globe and Mail*, January 27).

When questioned in the House, Fisheries Minister Tom Siddon said that the agreement was a step towards stopping the French metropolitan fleet's overfishing in the Gulf near St. Pierre-Miquelon. He said the boundary dispute could only be settled by international arbitration. (The French were claiming a 200-mile zone around the islands,

while Canada insisted that a 12-mile zone applied.) During an emergency debate on January 28 the Minister gave his personal guarantee that no final deal would be signed unless it protected the rights of Canadian fishermen. He also said that it would be irresponsible for Canada to use military force to try to keep the fleet out of the area, and denied reports that the agreement had come as a result of French threats to provide a naval escort for nine fishing trawlers on their way at the time to the Gulf. Canadian Vice Admiral James Wood confirmed that "things like that just don't happen" (*Halifax Chronicle-Herald*, January 29).

Canada and France were to continue their negotiations in an effort to reach an interim quota for the time when the international arbitration was taking place. It had been agreed that the negotiations would begin March 15, with a view to reaching an interim agreement by the end of 1987. The two governments also agreed that scientists from both countries would meet "shortly" to discuss problems concerning stock in the area (*Le Monde*, January 30).

Iran

Canadian Detained in Iran

On December 9 the *Globe and Mail* reported that External Affairs had been notified by the Danish Embassy in Tehran, which was acting on Canada's behalf, that Philip Eng, a St. Catharines, Ontario, engineer, had been arrested. External spokesman Denys Tessier said that no details were available on where Mr. Eng was being held or why he had been arrested. The head of Tehran operations for Schlumberger International had been detained previously by Iranian authorities and questioned about some photographs of ships in his possession, the report said. The second arrest took place on December 2.

One week later, an Iranian Foreign Ministry spokesman confirmed that Mr. Eng was being detained on espionage charges, and that Mr. Eng "had some articles for spying and some documents, photographs from forbidden areas." In the House on December 16 External Affairs Minister Joe Clark said that he had sent a message to the Iranian foreign minister asking for "full information on the charges and also seeking an undertaking that we will have the right of consular access to Mr. Eng" (*Ottawa Citizen*, December 16).

After a meeting in Tehran between Danish ambassador Ib Andreasen and Iranian Foreign Ministry officials, Mr. Eng was reported to be "in very good shape mentally and physically," and held in Tehran. Mr. Eng's parents said that they were convinced that the charges resulted from a misunderstanding (*Globe and Mail*, December 17).

A report in the *Ottawa Citizen* on December 17 said that Iranian television had reported Mr. Eng had been "indicted on charges of espionage and formally charged with . . . taking pictures of restricted military 'waterfront' areas and smuggling confidential documents out of the country." A spokesman for Schlumberger International was in Tehran trying to obtain Mr. Eng's release.

On January 31, the Danish ambassador in Tehran was

allowed to visit Mr. Eng. Mr. Andreasen reported Mr. Eng to be in "good health and spirits" (*Ottawa Citizen*, February 3). Mr. Eng was still in custody at the beginning of February, but his brother Russell Eng had said on January 30 that he believed that formal charges had never been laid, and he felt optimistic that his brother would be released shortly (*Kingston Whig-Standard*, January 31).

Japan

Japanese Report on Canadian Investment Climate

On January 27 Minister for International Trade Pat Carney announced that she had received the Japan Economic Commission Report on the Canadian Investment Climate. The report resulted from the October visit to Canada of a group of Japanese businessmen, led by Mr. Minoru Kanao, chairman of Nippon-Kokan. It contained four major observations:

- Japanese direct investment in Canada was expected to increase;
- joint technological cooperation showed excellent potential for growth;
- the export of Canadian manufactured goods to Japan was likely to expand;
- Canada-Japan trade in resource products was based on long-term considerations and would continue to be an important element in bilateral commerce;
- joint cooperation in third countries was cited as having strong export potential.

The Minister advised Japanese ambassador Yoshio Okawa that Canada would actively pursue the investor interest that the report had generated in Japan's business community, the International Trade communiqué said. Plans included an investment seminar in early March to be organized by the Canadian Consulate General in Osaka, and a high level investment mission from the Tokyo Chamber of Commerce to travel to Canada in June (International Trade communiqué, January 27).

Lebanon

Clark Warns Canadians to Avoid Lebanon

External Affairs Minister Joe Clark told Canadians on January 30 that they should stay away from Lebanon, and that those living there should leave. The Minister said he was not ordering but warning them. The report said that External Affairs did not know how many Canadians were living in Lebanon, but that more than twenty Westerners were believed to have been taken hostage there by Moslem extremists to date (*Globe and Mail*, January 31).

El Salvador

Aid to Salvadoran Government

Meyer Brownstone, the chairman of OXFAM-Canada, said after a week-long fact-finding mission to El Salvador with four other Canadians that Canada should end its aid to the Salvadoran government because "every indicator of human violation in terms of assassinations, disappearances, political prisoners, arrests, all of civilian population, have increased between 1985 and 1986." He also said that he would advise the Canadian government to increase assistance to non-governmental organizations in Central America and to strengthen diplomatic representation in the region (*Toronto Star*, December 3).

South Africa

New Ambassador to Canada Named

On December 15 a "terse announcement" from Pretoria said that South African ambassador Glenn Babb would be leaving Ottawa to move to an unspecified post. He would be replaced by Johannes De Klerk, a 15-year foreign service veteran who had previously served in Washington and London. No reason for the replacement of Mr. Babb was given (*Ottawa Citizen*, December 16). It was reported by the *Globe and Mail* on January 30 that Mr. Babb would be leaving Canada in March after just over one and one-half years in the country.

Sanctions

The *Toronto Star* reported on December 31 that restrictions placed on the issuing of visas to South Africans wishing to visit Canada had infuriated the Pretoria government (See "International Canada" for October and November, 1986). In November, the Canadian government, as part of its Commonwealth commitment to impose stiff sanctions on South Africa, told South Africans wishing to visit Canada that they had to obtain visas at Canadian diplomatic missions outside of South Africa. This meant delays while potential travellers waited for visas to arrive by mail. However, the *Toronto Star* report said that a new rule had been imposed by Canada whereby South Africans would have to apply in person at a Canadian diplomatic mission outside South Africa in order to obtain a Canadian visa. The added cost to travellers was protested by one travel agent in Johannesburg, who called the new rule "just another nail in the coffin for the already hard-hit South African traveller." It was also criticized in an editorial in the pro-government Johannesburg newspaper, the *Citizen*, which called Canadians "bloody-minded" and suggested that the Pretoria government "impose similar restraints" on Canadians wishing to travel to South Africa.

While South African ambassador Glenn Babb told the Women's Canadian Club in Edmonton that Canadian sanctions were "the wrong steps at the wrong time for the wrong reasons" (*Ottawa Citizen*, January 23), the director

of the African National Congress (ANC) international department said after meeting with External Affairs Minister Joe Clark that blacks in South Africa "want bigger sticks" than economic and political sanctions against the Pretoria government. Mr. Mfanafuthi Makatini said, "It is too little, too late, and therefore [the international community] needs to come out very quickly and in a much more concerted manner by an ever bigger number of countries with much more vigorous measures, economic and otherwise." At the meeting, Mr. Clark agreed to meet ANC President Oliver Tambo sometime later in the year, although no date was set (*Globe and Mail*, January 23).

At the end of January, Chief Louis Stevenson sent Mr. Babb an invitation to visit the Peguis Indian band of Manitoba. Chief Stevenson said Mr. Babb was considering the offer. Mr. Babb had suggested that while Canada imposed sanctions on South Africa to protest apartheid, Prime Minister Brian Mulroney's speeches on native issues were comparable to the views of early apologists for apartheid (*Globe and Mail*, January 30). The report quoted Chief Stevenson as saying that the treatment of Canadian natives was comparable to the system of apartheid in South Africa.

External Affairs Minister Joe Clark went to London on January 28 to meet with British Foreign Secretary Sir Geoffrey Howe. "We will be discussing . . . various actions that should be taken in South Africa," Mr. Clark said in London. But he added that "I have not come here to harass the British about their position on sanctions . . . At the last meeting here in August, the British government moved more than they have been given credit for" (*Globe and Mail*, January 29).

In Dakar, Senegal, Prime Minister Brian Mulroney, at the end of his African tour, said, "The racist regime in South Africa has still not lost its prejudices and stopped its racist behavior, despite all the pressure brought to bear on it in recent years . . . Canada's purpose is clear: we have imposed economic sanctions against South Africa — and we will impose more — because apartheid is evil and shameful" (*Toronto Star*, February 1). The Prime Minister did not indicate a timetable for further sanctions, but he referred to a statement he made to the UN in 1985 in which he said full sanctions and a break in diplomatic relations might become necessary. "The key word in my statement to the UN was that a course of sanctions will surely be further pursued," he said. "They will be in a way and at a time that will be most helpful to the cause of freedom in South Africa" (*Ottawa Citizen*, February 2).

Following the Prime Minister's statement in Senegal, one Canadian government official said that Canada was unlikely to impose further economic sanctions against South Africa until after that country's white voters elected a new government in May. Another official said that Mr. Mulroney had no plans to sever diplomatic ties with South Africa until "some way down the road." Both officials asked to remain unnamed, the report said (*Globe and Mail*, February 3).

On February 2, just as Mr. Mulroney was returning from Africa, South African ambassador Glenn Babb told the Kiwanis Club in Toronto that the Prime Minister should

have made a "political house call" on South Africa before giving a "medical opinion by telephone." Mr. Babb said, "It seems that political house calls are as rare as those of the medical practitioners. Since 1957 not one sitting Canadian cabinet minister has visited South Africa" (*Globe and Mail*, February 3).

Sri Lanka

High Commissioner to Canada

On December 3 the *Globe and Mail* reported that censored documents obtained by that newspaper under the Access to Information Act showed that Sri Lanka had asked for approval of General Tissa Weeratunga as High Commissioner on October 3, 1985, and the General was not granted *agrément* until February 7, 1986. The report said that such requests were normally approved quickly as a matter of routine protocol, but the General's responsibility for military operations against Tamil insurgents in Sri Lanka had led to a request from External's South and Southeast Asia Relations Division that External Affairs Minister Joe Clark be given a confidential memo on the General's background. The memo, one of whose three pages had been deleted before it was released to the *Globe and Mail*, ended by recommending that *agrément* be granted to the General (See "International Canada" for August and September 1986).

USSR

Moscow Denounces 'Anti-Soviet Rhetoric'

The Soviet government announced on December 11 that it had made a formal protest to Canada over a CBC broadcast that quoted *Toronto Sun* columnist Lubor Zink, who, the Soviets said, had made "anti-Soviet rhetoric his professional credo" (*Globe and Mail*, December 12).

Canadian officials in Moscow, the report said, had explained to Soviet officials, on hearing their protest, that the CBC operated independently of the Canadian government, but the Soviets had gone ahead with their public protest anyway.

Canadian ambassador to Moscow Vernon Turner said he hoped that the Soviets understood that Mr. Zink spoke for himself when he condemned Soviet leader Mikhail Gorbachev. The Soviet protest said that the broadcast had come as a surprise in view of the "positive shifts taking place in Soviet-Canadian relations."

Soviet Army Deserters

A consul with the Soviet embassy was refused permission to visit five Soviet army deserters in Toronto, a December 31 report in the *Globe and Mail* said.

A spokesman for a Russian Orthodox committee which was sponsoring four of the men said that they had asked not to meet the consul. He expressed the committee's fear that Soviet officials might have tried to exert pressure on the men to return to the USSR. The five men had said in November that they wished to remain in Canada (See "International Canada" for October and November 1986).

Multilateral Relations

European Economic Community

Canadian Countervail Duties

The *Financial Times* of London reported on December 16 that the European Economic Community (EEC) had "fired a warning shot" at Canada because of growing strains in trade relations. The issue had been brought to a head, the report said, by the imposition of a duty on pasta imported into Canada. Italian pasta exports were being affected, and the EEC had already complained to the

General Agreement on Tariffs and Trade (GATT) about the countervail action. Other EEC exports affected by Canadian actions were beef, English-language books and tea-bags from Britain, and fish and asphalt oil. The statement by the EEC foreign ministers underlined the lack of progress with Canada "on a broad range of bilateral issues . . . There could be a deterioration in the normally very

good relations between the EEC Commission and Canada." On the pasta issue, the twelve EEC ministers warned that "a serious situation would arise if the countervailing duties were not withdrawn." The *Times* report said that Italy had made clear that it would ask for a list of possible retaliatory measures to be drawn up if the issue were not resolved.

A week later, the *Financial Times* of London reported that Canada would maintain the duty on pasta in spite of the EEC warning. The Department of National Revenue had ruled in favor of the duty on December 19, but the duty remained provisional until a final decision was made by the Canadian Import Tribunal in January. On January 30, the Tribunal ruled that subsidized European pasta imports were not harmful to Canadian producers, and thus no countervailing duty would be imposed. Peter Crawford, marketing manager for General Mills Canada, said, "We're very disappointed. The [European] subsidy exceeds the cost of flour for Canadian manufacturers. Obviously, the subsidy is beneficial in cost terms to the importers. There's no way around that." A spokesman for the EEC said, "We're pleased. This decision will alleviate some of the concern as to the state of EEC-Canada trade relations" (*Globe and Mail*, January 30).

Canadian Fur Trade in Europe

A parliamentary committee reported in December that Ottawa should state aggressively Canada's case to the world to counter a growing campaign by animal rights activists in Europe against Canada's \$600-million-a-year fur industry (*Globe and Mail*, January 3). Since the European Parliamentary ban on seal fur sales, \$6 million had been lost by the Inuit annually, the report said. The committee also demanded that the Department of External Affairs "undergo an attitudinal change in favor of recognizing the legitimacy of trapping as an economic activity and actively promote the fur industry in overseas posts." According to a report in the December 22 *Toronto Star*, the sealing episode between Canada and the EEC had some lingering after effects on EEC-Canada relations. Joseph Cunnane of the EEC's Canada Desk in Brussels said, "You just can't imagine what an emotional issue that was, with such huge political ramifications. Since then there has been a lot of second-guessing. But it was hard for those involved to ignore the five million letters sent to us. And then, of course, there was Brigitte Bardot." Inuit leaders said that the fur industry was an international issue that Canadians had to address internationally (*Globe and Mail*, January 3).

Group of Five

Mulroney-Craxi Statement

The *Financial Times* of London reported on January 28 that Italy and Canada had issued a strong warning that they must be included in any discussions on currency instability held by the Group of Five industrial nations (Japan, the US, Britain, France and West Germany). The statement was issued in Rome, where Prime Minister Brian Mulroney was meeting with Italian Prime Minister Bettino

Craxi before going to Africa. The report said that Washington had denied that there was any agreement to hold a meeting on currency instability, but that reported remarks by Japan's finance minister that his country and the US had agreed on the need for a meeting, possibly on February 7, were rushed into the Mulroney-Craxi talks in Rome on January 26. Mr. Antonio Badini, diplomatic adviser to Mr. Craxi, said, "We believe that a meeting of the Five would breach the declaration from last year's Tokyo economic summit that Italy and Canada would be involved in discussing any measures which might affect their currencies."

OAS

Closing of Canadian Mission

Le Devoir reported on December 17 that the government of Canada had decided to close its mission attached to the Organization of American States (OAS) in Washington. An itinerant ambassador to Latin America would take its place, the report said.

UN

Vote on Middle East Peace Plan

Charles Svoboda, head of the political section of Canada's UN mission, told the General Assembly before a December 2 vote on a UN-sponsored Middle East peace conference that Canada was abstaining for the first time since 1983 on the resolution. The Canadian vote in the past had been against an umbrella conference, and, with the US and Israel, in favor of bilateral talks. The proposed conference would bring together Israel, the Arab states and members of the UN Security Council. Mr. Svoboda said that Canadian officials had "serious reservations" about the practicability of such a conference, the report said (*Toronto Star*, December 3).

UNICEF Report

UNICEF said in its annual report, which was officially released in Ottawa on December 10, that fourteen million poor children died every year from avoidable illnesses, including malnutrition. UNICEF executive director James Grant said, "We hope somehow the public will say it is unconscionable for 40,000 children to die every day." Prime Minister Brian Mulroney pledged to raise the issue of universal immunization at the Commonwealth and Francophonie meetings in Canada later in the year. UNICEF goodwill ambassador Peter Ustinov also attended at the release of the report in Ottawa.

Drapeau Appointment

External Affairs Minister Joe Clark announced on December 12 that former Montreal mayor Jean Drapeau had been named Canada's ambassador and permanent delegate to UNESCO in Paris. Mr. Clark praised Mr. Drapeau's

efforts during Expo 67 and the 1976 Olympic Games in Montreal, calling the 30-year mayor "a highly respected Canadian" (*Globe and Mail*,) December 13).

NATO

Brussels Meetings

In an interview before leaving for the meeting of the NATO defence planning committee in Brussels at the beginning of December, Defence Minister Perrin Beatty said that US arms control proposals made to the USSR at the Reykjavik summit could have "sweeping implications for Canada," a December 4 *Globe and Mail* report said. The Minister said that a preliminary reading suggested that plans to upgrade the radar warning system in northern Canada and Alaska became "just that much more important" because of the US proposal to eliminate ballistic missiles. The report said that federal sources and private defence strategists agreed that the US proposals could mean that Canada would be called upon to upgrade its NORAD commitment and to increase the number of Canadian troops on the Central Front in Europe. Mr. Beatty said he wanted to get more information from US Defence Secretary Caspar Weinberger at the Brussels meeting. The report said that other NATO ministers would want to know from Mr. Beatty what prospects there were that Canada could increase its 6,500 troops in Europe, and that the federal government's response would likely be that it was moving in that direction.

In London en route to Brussels, Mr. Beatty said on December 4 that Canada had won a delay from its NATO allies on a final decision over a site for a multi-million dollar jet-fighter training center until a more detailed analysis was conducted into the costs and benefits of building it at Goose Bay, Labrador. The decision meant that Canada would be given the chance it sought to prove the cost advantages of Goose Bay over Konya, Turkey, Mr. Beatty

said. A final decision in the bid to establish the training center was not expected until spring at the earliest (*Globe and Mail*, December 5).

Mr. Beatty said on December 5, after two days of talks in Brussels, that NATO wanted Canada to boost its military presence in Europe. An annual assessment of Canada's contribution to NATO, which was presented to Mr. Beatty during the talks, welcomed Canada's steps to increase the number of soldiers in Europe and expressed hopes that the trend would continue (Canada's personnel in Europe had increased by 1,200 in the past two years, for a total of 6,900 troops, most of them based in Lahr and Baden-Soellingen, West Germany). Mr. Beatty said that the assessment was "very balanced" (*Ottawa Citizen*, December 6).

On December 10 in Brussels foreign ministers of the sixteen NATO countries began three days of what NATO Secretary General Lord Carrington described as "very difficult negotiations" aimed at reducing conventional weaponry and manpower levels in response to proposals by the USSR and its Warsaw Pact partners (*Halifax Chronicle-Herald*, December 11). External Affairs Minister Joe Clark attended the meeting, where the ministers agreed in principle on December 11 to open new negotiations with the Warsaw Pact countries on reductions of conventional forces in Europe. The *Financial Times* of London reported that it was the first time that all members of NATO had agreed to take part in East-West negotiations on conventional forces. The declaration, officially titled "Brussels declaration conventional arms control," stated that the reduction in nuclear weapons which was the subject of negotiations between the US and the USSR would increase the importance of eliminating disparities in conventional forces in Europe. The declaration stated that the military situation in Europe was not stable and balanced as claimed by the Warsaw Pact, but marked by asymmetries and disparities which were detrimental to Western security. NATO's aim, the declaration said, was to establish a stable relationship of conventional forces in Europe, while maintaining an effective deterrent policy involving both nuclear and conventional forces.

Policy

Immigration

Turkish Arrivals and New Policy

At the beginning of December a government spokesman said that an immigration racket in Turkey was suspected in the arrival of 1,557 Turks at Montreal's Mirabel

Airport since the beginning of June 1986. Richard Saint-Louis, program specialist with the Immigration Department's refugee task force in Quebec, said on December 1

that 720 Turks had arrived at Mirabel in November, 120 of them during the last weekend. Mr. Saint-Louis said that the Turks had been told that they could simply come to Canada and establish themselves once they arrived. Rejane Dodd, a media relations officer for External Affairs, said the recent arrivals, whom she described as farmers, peasants and laborers from "the poorest parts of Turkey," had sold all their possessions to buy their airline tickets. "It has become clear that travel agencies [in various parts of Turkey] are spreading false information," she said. Mr. Saint-Louis said the would-be immigrants, who spoke no English or French, were all receiving welfare from the Quebec government. "They are shocked when they see how much money it costs to survive in Canada," he added. None of the Turks had used "the magic word 'refugee'" upon arriving in Montreal, he noted. "They just want to establish themselves in Canada." The Turks were being released at Mirabel on their own recognizance and ordered to return to Montreal for immigration inquiries to determine whether they were bona fide visitors. They would be ordered to leave the country if they were not so determined. Mr. Saint-Louis said, however, that by the time the inquiries took place many of the Turks had learned the "magic word," and that more than 160 individuals, some representing large families, had said they were refugees fleeing persecution in their homeland. Once that claim was made, the refugee determination procedure was begun, and claimants would be entitled to welfare in Quebec and allowed to work while the determination process took place. Ms Dodd said officials with the Canadian embassy in Turkey had been in touch with the Turkish government and airline companies to get their cooperation to prevent "a movement of Turkish nationals attempting to abuse our traditional hospitality to visitors. . . . Authorities in Turkey have been very cooperative in terms of general advice and specific control efforts with the result that a considerable number of non-bona fide visitors have been prevented from coming," she said (*Globe and Mail* and *Ottawa Citizen*, December 2).

On December 2 Minister of State for Immigration Gerry Weiner told the House that if the Turks lied about being refugees, they would be returned to Turkey. "Innocent citizens of Turkey are now apparently being made to make misleading or inappropriate statements. . . . If that is found to be so — and they will be treated in our fast-track system — they will likely be returned to their country of origin," the Minister said. Warren Almand (Lib, Notre-Dame-de-Grace — Lachine East) said that the immigration scheme in Turkey could only function if Canadians were involved at this end. "The Minister told us last July that he had ordered an RCMP investigation of such rackets. . . . Nothing has been done. He also promised us this new refugee determination policy for the fall — it's now December. This cancer continues to grow, and we still don't have it," Mr. Almand said in the House.

Late in December immigration officials in Montreal said that 273 Turks had been among over 700 people who had arrived in Montreal from December 26 to 29 (*Globe and Mail*, December 30). Len Westerberg, a spokesman for Mr. Weiner, said that "drastic measures" would be taken if the number of incoming Turks continued in such a fashion. Immigration Minister Benoit Bouchard said on December 30, "What I'd like to say to all refugees who are coming

to Canada is that this country is always open to the true refugee . . . but at the same time we have to warn all the people who would like to reach our country that we will have to deal more severely with those who are not refugees" (*Ottawa Citizen*, December 31). The report said that one of the recently arrived Turks had said that he gave a travel agent in Turkey about \$1,000 for a one-way ticket to Montreal and another \$1,000 "for taxes and a passport . . . It's beautiful here. In Turkey, I had no job, no life. A friend told me I could have a better life here," he said.

It was learned from recently arrived Turks that newspaper ads which claimed that Canada needed 125,000 new workers were largely responsible for the sudden influx of would-be immigrants from Turkey, a *Globe and Mail* report on January 7 said. The *Globe and Mail* reported on the same day that Mr. Bouchard had met in Ottawa with representatives of various refugee advocacy groups, who were "very disappointed" with the Minister's decision to table legislation restricting the access of refugee claimants to Canada and eliminating most of their rights of appeal. On January 7 the North-South Institute released its annual review of Canadian foreign policy, which expressed concerns similar to those of immigration advocacy groups. "This turning back on Canada's liberal humanitarian tradition is vigorously opposed by all groups concerned with refugee rights. Other approaches are needed to curb abuses of Canada's refugee system," the report said (*Globe and Mail*, January 8).

On January 8 Mr. Bouchard announced that visitors from Turkey would need visas effective immediately, but he denied that about 2,000 Turkish applicants for refugee status would be expelled from Canada (*Globe and Mail*, January 9). The visa requirement had been imposed "to respect the integrity of our borders and the intent of our immigration and refugee policies. It's obvious that the system itself is wrong. We know that two-thirds of the people coming here are not refugees. . . . Those people already in Canada will be treated exactly as before, on a case-by-case basis," the Minister said. He added that new legislation governing immigration to Canada "would certainly be ready for the spring."

Export Controls

Arms Exports

The *Ottawa Citizen* reported on January 23 that export permits had been issued in 1986 for millions of dollars worth of arms and munitions shipments to four countries that had been cited for human rights violations. David Adam, director of the export control division of the Department of External Affairs, confirmed on January 22 that export permits for shipments to Syria, Chile, Pakistan and Indonesia had involved military goods, the report said. Mr. Adam said he could not confirm whether the shipments had actually been sent, and he added that some or all of the permits might have been granted before the government changed its arms exports policy in September (See

"International Canada" for August and September 1986). According to a written answer from External Affairs Minister Joe Clark to a question from Nelson Riis (NDP, Kamloops — Shuswap), permits had been granted for more than \$11 million in military hardware to Chile, \$440,000 worth to Syria, and more than \$2 million worth each to Indonesia and Pakistan.

Mr. Clark told the House on January 27 that the shipments had involved electronic equipment, but he would not say what the equipment was designed to do. One of Mr. Clark's aides said that the shipments had contained items such as power supplies, communications equipment and radar parts. The aide cited commercial confidentiality and an obscure part of the Access to Information Act, and refused to give further details (*Ottawa Citizen*, January 28). In the House, Mr. Clark offered to tell Mr. Riis about the shipments to Chile if the member would promise not to tell anyone else, the report said. "If he's clean and he's got nothing to hide, let him come forward with that list . . . If the military equipment being shipped was not an embarrassment to the government, the government would be quite prepared to make the list public . . . They are trying to cover up what we are exporting to some of these very questionable countries where the abuses of human rights are long-established and well-known," said Mr. Riis outside the House. He added that Canadians should be told which countries the government considered too repellent to deal with militarily, the report said.

Foreign Policy

Government Response to Hockin Report

On December 4 External Affairs Minister Joe Clark told the House that the government fully endorsed the recommendation of a Special Parliamentary Committee that Canada follow an independent, active and internationalist approach to foreign policy. He also said the government concurred in the great majority of detailed recommendations made by the Committee covering such areas as security and arms control, trade, development assistance, relations with the US, human rights and the Northern dimension of Canada's foreign policy. There would as a result be a number of initiatives in those areas,

some of which were already under way.

Mr. Clark made his statement in connection with the tabling in the House of the government's response to the Report of the Special Joint Committee of the Senate and the House of Commons on Canada's International Relations. The government's statement brought to a close the foreign policy review initiated by the government in the spring of 1985. The response consisted of a statement on Canadian foreign policy and replies to each of the 121 detailed recommendations contained in the Special Joint Committee Report.

Mr. Clark described the report of the Special Committee (chaired by Minister of State for Finance Tom Hockin and Senator Jean-Maurice Simard) as "an unprecedented exercise in parliamentary democracy in the development of Canadian foreign policy." He also said the government fully shared the Committee's conviction that Canada could and should play a leading role in multilateral institutions.

Among the specific recommendations which Mr. Clark said the government had accepted were exploiting the trade potential of Asia Pacific markets, maintaining real growth in official development assistance, examining with the provinces how more foreign students could be brought to Canada, the creation of an international institute in Canada to help Third World countries in the area of human rights and democratic development, and concrete steps to improve the focus of the Northern dimension of Canada's foreign policy (*External Affairs communiqué*, December 4).

Adam Bromke, professor of international relations at McMaster University, wrote in the *Toronto Star* on December 13 that the government response to the Special Committee's report, entitled *Canada's International Relations*, demonstrated that Canadians were conscious of their separate identity, of their place in the world, and how, bearing in mind the limits of their influence, they could try to improve it. The report's central message was Canada's commitment to "constructive internationalism," wrote Professor Bromke, but "what strikes the reader of *Canada's International Relations* is the confident note it strikes regarding our possibilities in the world and the belief it assumes in an even better future . . . The report construes our external relations not just as wishful thinking but as a set of practical steps through which we can, in small but concrete ways, contribute to the improvement of contemporary politics . . . This clear and coherent report on the directions of our external relations demonstrates as a nation — well aware of its place in the world — that we have come of age."

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Focusing more directly on the extent to which Canada has concerned itself with the neediest, it is true that the percentage of Canada's assistance directed at the Least Developed Countries (LDCs), as classified by the United Nations, has increased substantially since the early 1970s. It has, however, flattened out in recent years and, measured in terms of country-to-country disbursements, has stood at about 27 percent of the total over the past three years. Further, of the top twenty Canadian aid recipients since 1982-83, it is noteworthy that only five (Bangladesh, Tanzania, Ethiopia, Sudan and Rwanda) are, in fact, among the thirty-six LDCs.

Also observable has been a trend to direct more Canadian aid to some of the relatively prosperous developing countries as Canada has increasingly sought commercial gains from the aid program in an intensely competitive international trading environment. Thus, of the top twenty aid recipients over the past three years, two countries, Jamaica and Peru, have GNPs per capita of over \$1,000, while a further six have figures over \$500: Cameroon, Zimbabwe, Thailand, Egypt, Zambia and Indonesia.

Too many recipients

In part because of this growing interest in developing countries with commercial promise, and more obviously because of the difficulty for political reasons of eliminating countries from the program (especially francophone and Commonwealth partners), Canada continues to disburse aid to an inordinately large number of countries. In the 1984-85 fiscal year, for example, 119 states received assistance from Canada. Apart from the effect this has of diluting aid to the neediest states, it has other disadvantages for the quality of Canada's development effort. CIDA's capacity to select appropriate development projects, evaluate the effectiveness of their implementation, ensure that local administration is honest and effective and that the recipient regimes are committed to egalitarian development that embraces all disadvantaged sectors of society, is hampered by the operational burdens of running an aid program spread over so many countries. Concentration of Canadian aid on a much smaller number of needy states, seriously committed to grassroots development that is economically redistributive in effect, would thus be highly desirable. It would also enable CIDA to undertake more liquid transfers, such as open lines of credit and longer-term forward commitments, both of which, if and when current budgetary constraints are removed, would help Canada reach its percentage targets for the aid program.

The problem of dispersion is compounded by the tight strictures on CIDA's administrative costs, resulting in inadequate numbers of trained agency personnel, especially in the field. This situation also hampers effective project identification, implementation and evaluation, and inevitably leads to the selection of schemes where large sums of money can be disbursed with minimal overhead costs. It thus serves as a disincentive to focusing on small scale "basic needs" projects, since they tend to require substantial administrative resources.

To some extent, CIDA has dealt with this problem by providing matching grants for the developmental projects

of NGOs, which employ lower cost volunteer workers, and so are often effective in reaching the neediest in rural areas. It is gratifying to note that there has been an increase in CIDA support to NGOs over recent years, climbing from \$26 million in 1974-75 to \$187 million in 1984-85. However, at 11 percent of the CIDA budget, the NGO program remains a modest proportion of Canadian development assistance and one that can grow only gradually as NGOs increase their capacity to administer projects. It is thus not a substitute for administrative and other reforms within CIDA that would facilitate a greater focus on projects that meet basic economic and social needs.

Tied aid wrong

One of the most urgently needed policy changes to bring about such a reorientation is an untying of Canadian aid. With 80 percent of Canadian bilateral assistance bound to the provision of Canadian goods and services, Canada operates the second most tightly controlled program of OECD donor countries. This has numerous detrimental consequences for the quality of the Canadian aid effort. Because of generally higher Canadian costs, tied aid reduces the value of Canadian assistance by roughly 20 percent. Because of complex procurement procedures involved, tied aid also increases administrative costs and retards the rate of disbursements. Still more seriously, it distorts recipient country developmental priorities towards projects for which Canada has the capacity to furnish the required goods and services and leads to a reliance on imported rather than local inputs or those furnished by other developing countries. Finally, tied aid is incompatible with the development of a program that gives priority to the needs of the rural disadvantaged for such things as increased agricultural output, health care and education, since such projects need untied funds for largely local purchases. Thus, despite the intention of CIDA since the mid-1970s to focus more attention on the neediest in developing countries, Canada's tying provisions have frustrated achieving that goal.

Aid tying is just one reflection of the priority that is attached to deriving commercial benefits for Canada from CIDA's operations, an objective that seems to have assumed enhanced importance in recent years. In 1978, for instance, an Industrial Cooperation Program was established, enabling CIDA to finance feasibility and starter studies by Canadian investors in Third World countries where there are prospects of profitable economic ties with Canada. At about the same time, CIDA also initiated the practice of parallel financing, under which a developing country receives two separate loans for a project — one from the Export Development Corporation (EDC) at concessional rates, but substantially above those of CIDA loans, and another from CIDA at its very low rates. The end result is an attractive financial package that induces the developing country to purchase goods from Canada rather than a competitor country.

In February 1984 the government also announced a proposal to create a trade/aid fund. One-half of the increase in Canadian aid over the ensuing five years was to be allocated to this fund, to be used in conjunction with EDC loans to, in effect, cut loan rates for Canadian exports and

Helping the poor helps rights

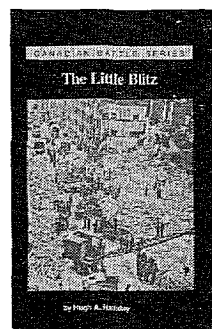
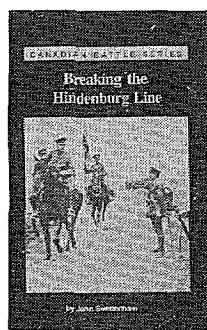
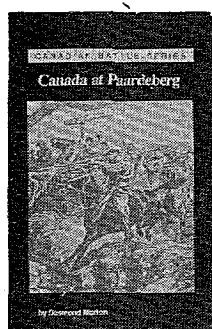
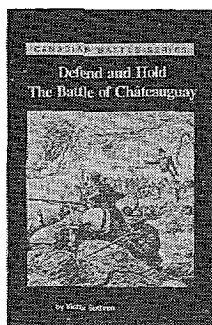
thereby stimulate sales of Canadian capital goods, equipment and related services to developing countries. Fortunately, this intended scheme was shelved as a result of the aid expenditure cuts announced in the February 1986 budget. Nevertheless, the effect of the other new arrangements already in place is to increase the emphasis in the aid program on developing countries with commercial promise for Canada, at the expense of the neediest, and on capital as opposed to "basic needs" projects.

Incorporating human rights

Generally speaking, officialdom in Ottawa supports the notion that aid is and should be a broad policy instrument used to promote not only development, but other governmental goals of a strategic and commercial nature. With such a perspective, there is thus some willingness in government circles today to see the advancement of human

rights incorporated, at least in a limited fashion, into the range of purposes of Canadian aid. However, what seems to be lacking is a realization that Canadian aid decisions cannot be based on attempts to secure direct commercial, strategic and other advantages without at the same time sacrificing the developmental quality of Canadian aid. Further, if the goal of equitable development is neglected, then so too will be the new objective of fostering human rights in recipient states. In sum, the extent to which the Canadian aid program is directed at genuine, equitable development that meets the economic and social needs of the world's most disadvantaged is the acid test of the seriousness of Canada's commitment to advancing human rights in developing countries. Thus far, as the above weaknesses in Canadian assistance attest, the extent of that commitment remains unclear. □

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A human rights advisory service

by Cathal J. Nolan

There exists at present an avenue of considerable promise for Canada to assist efforts at international promotion and protection of human rights. This promise lies in a growing awareness, among Canadians and others, of the importance of providing "advisory service" assistance in the human, and particularly civil and political, rights field. The opportunity exists in the form of a substantial "market" for such assistance among those states which have shown themselves to be genuinely willing to improve their human rights performance. For example, a number of states have indicated an intent to meet better both the reporting obligations and the implementation provisions of the International Covenant on Civil and Political Rights, but have also indicated that they lack much of the necessary legal, technical and administrative expertise to do so. That is where Canada can help.

The International Covenant on Civil and Political Rights, under whose authority the Human Rights Committee was created, came into force in March 1976. This Covenant is one of the chief international human rights instruments. It deals with a wide range of political rights and civil and personal liberties. Included among the latter are provisions against deprivations of those rights — such as the right to life, to freedom from torture, and to freedom from arbitrary arrest and detention — which are now often referred to as "basic rights." The Human Rights Committee is an 18-member body of "independent experts" elected by those states which have signed and ratified the Civil and Political Covenant. The Committee's principal task is to oversee implementation of the provisions of this Covenant. However, its enforcement powers are mostly limited to focusing international opinion upon an offending state by the expression of its "views."

Need for expertise

The expertise of the Human Rights Committee leaves little doubt that a number of countries are interested in improving fulfillment of their technical obligations under the Civil and Political Covenant, and possibly their actual implementation of its provisions as well. However, during the first ten years of the Committee's existence, beginning in 1977, it has clearly emerged that several of these states have been inhibited from doing so because of a lack of governmental resources. Among these resource requirements the most pressing one is for personnel with specialized human rights experience. For instance, in recent years both Rwanda and Guinea requested from the Human Rights Committee assistance in training a number of their nationals in how better to implement their Covenant obligations. Unfortunately, the Committee had neither the mandate nor the resources to handle these requests for assistance. Although a rudimentary international capacity

for providing advisory services exists within the United Nations Center for Human Rights, so far this facility has been largely dissipated on expensive and mostly unproductive seminars. Thus, the specific requests for assistance by Rwanda and Guinea went unsatisfied.

A further example of the need for outside sources of advisory assistance occurred in April 1986. At that time, the Committee conveyed its concern, through the UN Center, to nine countries which had ratified the Covenant but which had not submitted reports — made obligatory by ratification — to the Committee on each state's implementation of its provisions. These reports are essential for the Committee to carry out its mandate as the body responsible for overseeing implementation of the Civil and Political Covenant. Surprisingly, most of the explanations for failure to meet reporting obligations centered on the lack of appropriate governmental resources, the requirement for specialized staff training, a need for assistance in drafting domestic legislation to give effect to the Covenant, and even a need for assistance in the mechanics of research and preparation of the report. Once again, neither the mandate nor the financial and personnel resources of the Committee permits it to meet these requests for advisory assistance. On the other hand, states such as Canada, which have cooperated fully with the Committee over the past ten years, have developed a considerable expertise in all of these areas. This knowledge can and should now be put to use in an advisory services capacity. Such an initiative would assist in increasing the number of states that are actively involved under the Covenant on Civil and Political Rights, and would further the general quality of their participation. Moreover, there is no reason to believe that the need for advisory assistance is confined to this one international instrument; it may well be that there exists a large undiscovered area of need with regard to other human rights agreements.

Broadening participation

An increase in the number of ratifications of the two main human rights Covenants (the other — also from the 1950s — is the International Covenant on Economic, Social and Cultural Rights) and improved compliance with reporting and monitoring procedures under these and other international instruments, are long-standing Canadian goals. To date, the record of ratification and compliance, even on a technical level, by signatory nations has not been encouraging. However, the development by Canada of a program of human rights advisory assistance, which makes

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A Canadian opportunity

use of this country's considerable experience and expertise in meeting its international obligations and in domestic implementation, would provide a simple and cost-efficient means of realizing these ends. This is because there is direct evidence to indicate that making available even such simple advisory assistance as short-term loans of personnel experienced in human rights procedures and organizations could well lead to additional ratifications, and even to improved implementation, by other countries.

Canada has already participated in advisory services activity on an *ad hoc* basis. For instance, in 1985 Canada complied with a request to provide expert assistance to a UNCTAD conference for Caribbean nations on reporting obligations under the Civil and Political Covenant. Canada's help was requested, in part, because of its outstanding record on meeting both the letter and the spirit of its obligation to report to the Human Rights Committee. From this conference, the conclusion emerged that a number of countries had failed to meet their reporting obligations in large part owing to a simple lack of legal and administrative expertise in preparing reports for presentation to international bodies. Equally striking, it also became clear that several countries were in fact prepared to ratify the Covenant, but had declined to do so because they were technically ill-equipped to undertake the subsequent monitoring and reporting obligations that ratification would entail.

Canadian opportunity

Canada's reputation within the United Nations for taking a forthright approach to human rights promotion has permitted the development of modest possibilities for Canadian leadership in this arena. The UN's own advisory services have tended to become bogged down in seminars that have had difficulty concentrating on the specific problems of given countries, and which thus have had little real effect. Regional programs have proven more effective, but these also have suffered from being too diffuse in their focus, and from the political interest of some states, particularly from the Soviet bloc, in undermining the process. Although Canada provides assistance to and through the United Nations, along with other Western countries it continues to press for a more efficient and less politicized use of UN resources. Accordingly, it is entirely appropriate, and in line with a general commitment to multilateral measures, that Canada should continue to exert efforts to ensure that the limited advisory services capacity of the United Nations is put to better use.

At the same time, it would also be a logical step to move from *ad hoc* responses to UN requests for assistance to the development of a longer-term independent commitment to an advisory services program. The actual form and details of such a program would have to be determined by the expressed needs of participating states. But in addition to providing expert legal, technical and administrative personnel to assist in specific projects, Canada might consider developing in-country training programs in human rights law and implementation. Recently, the Special Joint Committee on Canada's International Relations made the imaginative suggestion that "through cooperative 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." In December 1986 the government responded to this suggestion of the Joint Committee by stating that it "favors the creation of an institute for promoting human rights and democratic development." Insofar as this proposed institute devotes itself to, among other things, providing Canadian human rights advisory assistance to needy states, this is a most welcome development.

Other international organizations

In addition to the United Nations and an independent bilateral program, there are several multilateral avenues open to Canadian initiative that may bear even more promise for both genuine human rights promotion and Canadian contribution. Most important among these, of course, are the Commonwealth, whose Secretariat already houses a human rights office, and La Francophonie. Comparatively speaking, member states of these two organizations are generally in need of and receptive to technical assistance in fulfilling their reporting and implementation obligations under the Covenants. In addition, familiar association in other areas of broad mutual interest, and a history of development aid relations, help to make most member countries receptive to assistance, including constructive criticism, from Canadian sources. In short, these two organizations contain a large number of states that are in need of the special expertise Canada has to offer in the human rights area, are open to making use of this assistance, and are generally amenable to friendly Canadian initiatives.

Moreover, advisory services programs organized under the auspices of the Commonwealth and La Francophonie would also advance broader Canadian foreign policy interests. Among these broad interests, giving balanced expression to the country's bilingual character and playing a leadership role within two significant multilateral organizations are important objectives. Indeed, such "linkage" of a positive human rights program to other significant foreign policy interests might, in fact, be a way of ensuring that human rights concerns become a more substantial element in Canadian foreign policy.

Broadening the debate

A determined and public effort in the area of advisory assistance would have the added benefit of helping to highlight Canada's quiet but impressive role in human rights promotion to date. Perhaps most important, it is essential to begin broadening the debate on the forms human rights promotion should take in Canada's foreign policy. Too often this debate has not looked beyond calls for diplomatic, political or economic sanctions of one form or another as the prime instrument and measure of this country's commitment to human rights. As a result, a whole range of positive policy options has been neglected. This is especially true of the possibilities for human rights promotion within important classes of states that are less than "gross and persistent" violators, but which nonetheless have serious problems of abuse. Expanded Canadian support for advisory service programs to states of this type would be a significant contribution towards greater international respect for human rights. It would also signal to the world community Canada's willingness and ability to provide quiet, but firm and imaginative, leadership in the human rights field. □

Israel's demographic dilemma

by H.J. Skutel

There is increasing concern in Israel and among its supporters abroad that, within a few decades, Israel's Jewish population will be reduced to a powerless minority within its own Promised Land; that, in effect, Arab fertility will peacefully achieve what terrorist attacks and Arab armies have failed to do, i.e., destroy Israel as an exclusive preserve of world Jewry. Realizing this, Israel, it is thought, may resort to repressive, even totalitarian, measures reminiscent of the behavior of the Jewish people's own persecutors of the past.

Demographers contend that while the Israeli Arab birthrate has, overall, been declining in recent years, it nevertheless is growing by 2.7 percent annually as compared to 1.6 percent for the Jews. Hence, the ratio of Arabs in the Israeli population is expected to increase from its current 17.6 percent to around 20 percent by the year 2000. The population today is roughly 4.3 million, 82.3 percent of which is Jewish. Moreover, the 1.3 million Arabs in the occupied territories (Gaza and West Bank) will, by that time, reach 2 million — an expansion due, in part, to medical and sanitary improvements introduced by the occupiers themselves. And this figure may yet be augmented by untold thousands of unemployed Palestinians returning from Saudi Arabia and the Gulf states as a consequence of the "oil glut." Reviewing the data, Gad Yaacobi, Israel's Minister for Economic Planning, foresees the "non-Jewish" population of Israel and the territories as comprising 43 percent of the total by the turn of the century.

Where the territories are concerned, it requires no stretch of the imagination to appreciate the formidable, possibly insuperable, security problems which will be posed by future juxtaposition in these areas (including Jerusalem) of several hundred thousand Jews, many of a fanatical bent, and vastly greater numbers of restive, highly politicized Arabs. Pessimists point to the findings of an August 1986 opinion poll, carried out in the territories, as an indication of what may lie ahead. The survey, sponsored by the East Jerusalem Arab weekly *al-Fajr*, the Australian Broadcasting Corporation and the US publication *Newsday*, found that, of the more than 1,000 Arabs interviewed, most with a higher education than the general Palestinian public, 60.7 percent said "armed struggle" was the most effective way to solve the Palestinian problem. Again, 78 percent believed a permanent solution lay in the creation of a Palestinian state in *all* of Palestine — meaning Israel, Gaza and the West Bank. The poll contained other disconcerting statistics on the interviewees' approval of specific terrorist acts — a view interpreted by *al-Fajr's* publisher as "a reaction to the brutality of the [Israeli] occupation."

Declining Jewish birth rate

Less comprehensible, perhaps, is Israel's obsession with the birth rate of a segment of its presumably free and equal citizenry. Most Canadians raised in the liberal democratic traditions of the West would be, at the very least, taken aback by media commentary on the "disturbingly high birth rate" among, say, their Catholic, French Canadian or Jewish countrymen. However, precisely such discussion, carried on in a perfectly sober and unabashed fashion, has taken place in recent years in the Knesset and mass media in Israel. How is this possible?

Despite repeated protestations that it is a democratic country where, according to its 1948 Proclamation of Independence "all" citizens are entitled to "full social and political equality," Arabs, in fact, are regarded as a tolerated obstacle to the realization of a predominantly Jewish state. "I want a Jewish state with a decisive Jewish majority which cannot change overnight," future prime minister Golda Meir declared in 1948. "I always believed this was plain Zionism." Hence, while Israel's 750,000 Arabs freely vote in elections just as their Jewish fellow citizens, they are subject to a multitude of discriminatory practices which, in the absence of a legally binding Charter of Rights, have, for all intents and purposes, relegated them to the status of "second class" citizens.

For example, by being excluded, for the most part, from military service, they are deprived of certain National Insurance benefits, government-backed mortgages and scholarships, and the discharge papers demanded by many prospective Jewish employers. The Arab education sector and Arab municipalities are persistently underfunded and Arab workers in Jewish enterprises are often the first to be laid off. Arabs who have sought to escape the "handicap" of their Arabic names, and change them to Hebrew ones (as Jewish immigrants from the West are encouraged to do), have been refused permission. Indeed, Israeli politicians readily acknowledge — beyond earshot of the Western media — that Jews enjoy preferential treatment in Israel's ostensibly egalitarian society. Interviewed by the Israeli press in December, Moshe Arens, Minister-without-portfolio for Arab Affairs, stated that the country had "a long way to go to provide them [Arabs] with feelings of equality, identification, loyalty and partnership."

Seen in this context, it becomes understandable why Zionist leaders regard any accelerated growth of the Israeli

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Jews may be outnumbered

Arab population with anxiety. And not necessarily out of fear of some sanguinary uprising wherein the outnumbered Jews would be set upon by their long-suffering "compatriots." More probable is that at some indeterminate point in the future a strengthened Arab minority will make common cause with a minority of progressive, "humanistic" Jews, and together succeed in nullifying, democratically, certain legislative and bureaucratic instruments of Jewish supremacy. In this manner, warn the Jewish hardliners, the first steps would be taken to transform "Palestine" into the democratic, secular state long dreamed of by Yasser Arafat. And, of course, annexing the territories would vastly accelerate this process, by means peaceful or otherwise.

Increasing Arab numbers

Now, it is a cheerless prospect which confronts the Israelis when they consider the wherewithal to counter this prophesied plague of numbers. To begin, there seems little expectation that the Arab birth rate can be offset by either increased births among Jewish women or, ideally, a flood of new immigrants. Large numbers of Jewish men and women in their twenties and thirties, the age of their greatest fertility in Israel, remain unmarried. Even Sephardic or Oriental Jewish couples, traditionally among the most fruitful, are now having fewer children. There are around 25,000 abortions annually, mostly among Israel's majority of secular Jews. Twenty-two percent of the Jewish population (3.4 million) is age fifty and over. Nevertheless, Deputy Prime Minister Shimon Peres, putting on a brave face, has exhorted every Jewish couple to have "at least four children."

Particularly galling to Israeli leaders is the failure of Zionism to "ingather" in the "national home" more than 25 percent of the world's thirteen million Jews. (This situation has given rise to the sardonic definition of a Zionist as "someone who gives money to a second Jew, who gives it to a third, to send a fourth to Israel.") Indeed, since 1948, at least 330,000 Jews (63 percent native born) have left the country. Among these were 402 "government officials" who subsequently became US citizens. Government figures released in December indicate that 19 percent of Israeli Jews in the 18-29 age group are "likely to emigrate." The lowest point in *aliya* (immigration) since 1953 was 1985 (figures are not available for 1986): while only 12,500 came to settle, 17,500 emigrated. This trend is expected to continue as long as the fear of war as well as unemployment and economic problems persist.

Declining immigration

Ill-founded, too, has proven the hope that vast numbers of Jewish immigrants will be obtained from the Soviet Union and so-called "affluent-stress" countries such as, formerly, Argentina, and now South Africa. A new Soviet decree promulgated on January 1, codifying its emigration rules, provides that only the parents, children, brothers and sisters of Soviet citizens may invite them to join them abroad. According to the US-based National Conference on Soviet Jewry, these stringent criteria prohibit "hundreds of thousands of Jews from ever applying for, much less receiving, permission to emigrate." Besides, in the context of present Soviet-US relations, and in the wake of the

"Irangate" revelations, it is unlikely the Russians would risk antagonizing further — and to their own detriment — the Arab world by allowing a substantial exodus of Jews bound *directly* for Israel. And if the past is any guide, between 80 and 90 percent of Russian Jews, if given the opportunity, would choose destinations other than Israel. In addition, a recent survey by the Jewish Agency (the Zionist body concerned with promoting *aliya*) has revealed that South African Jews prefer to emigrate to the US, Australia, New Zealand, and even black-ruled Zimbabwe. As one publication on the Middle East, editorializing on the 1984 "Falasha airlift" from Ethiopia, wryly commented, "The true moral of the [airlift] story is that only Jewish diaspora communities on the edge of starvation now want to move to Israel."

Tough choices

It is clear, therefore, that Israel must make some hard decisions if it hopes to survive into the twenty-first century with any of its democratic institutions, however loosely defined, intact. Even then there is no assurance that the distinctive Jewish character of the state will thereby be preserved. Israel must, as a November editorial in the liberal *Jerusalem Post* advised, begin to integrate "much more fully" its Arab community into the life of the state. Better to build now towards the binational reality of tomorrow, rather than be overtaken by the cumulative forces of procreation and social discontent; in which case, *all* salient Jewish features of the state might be swept away in a precipitous and vengeful tide of Arab ascendancy. It is unlikely, however, that Israel would be able to undertake any far-reaching reforms without the support of world Jewry, particularly the wealthy and influential portion in the US. Since 1947 they have been indefatigable in their representations to US political leaders on behalf of the Zionist cause, having themselves contributed billions of dollars towards the "upbuilding" of the "national home."

More traumatic may be relinquishing the occupied territories, particularly the West Bank, repositories of the greater part of the "demographic threat." They have, after all, provided a focus for what little remains of Zionist ideals (i.e., "redemption of all the Land of Israel"), badly shaken after the 1982 Sinai withdrawal, and which, for better or worse, have inspired the state with a sense of national purpose.

Another restraining factor is the argument put forth by certain members of the military that the West Bank would provide vital "strategic depth" in any future clash with Jordan. Opponents of this view dismiss it as nothing but a subterfuge, and question the real value of the space afforded in an age of supersonic missiles and aircraft. If anything, they add, the scores of Jewish settlements would seriously impede the maneuverability of the army.

Economic role of territories

More important, perhaps, is that the West Bank and Gaza have contributed to Israel's high standard of living. Between 80,000 and 100,000 workers from Gaza and the West Bank enter Israel proper each day to perform the menial and unsavory jobs Jewish Israelis spurn. In most cases their earnings are 40 percent lower than the average Israeli wage. In addition, a variety of taxes are deducted from their pay for benefits they are ineligible to receive

(e.g., unemployment, old age, disability insurance). One left-wing journalist describes the workers as "cheap labor upon which many Israeli industries have become dependent" and who, by virtue of their mobility and lack of "social rights," are "totally adaptable to upheavals in the Israeli economy."

Furthermore, for the past nineteen years the developmental needs and potentials of the territories have been completely subordinated to the self-serving designs of the occupiers. The territories' imports and exports are closely monitored to ensure, respectively, that they come from Israeli sources and do not compete with Israeli producers. As a consequence, the Arabs have been transformed into captive consumers. According to a US economic study, cited in June in the daily *Ha'aretz*, Israel enjoys an \$800 million trade surplus with the territories. The story went on to state, revealingly, that the "American sources" felt "this fact may be significant in Israel's delaying the peace process, as it was unlikely" it would "be able to achieve such a profit from any other source" if the borders were closed.

Finally, a foremost concern of Jerusalem would be the impact that an independent Palestinian state, with its own industrial and agricultural needs, would have on Israel's water supply, 30 percent of which is derived from aquifers (natural underground reservoirs) extending into Israel proper, but located, for the most part, beneath the West Bank.

Jewish religious extremists

Doubtless, the most vociferous opposition to divestment of the territories, especially the West Bank, will come from religious extremists who, though in the minority, fill most of the leadership and opinion-making positions among the roughly 60,000 Jewish settlers. It is these settlers, and not the Arabs, who have most benefited from several billion dollars invested in the areas since 1967 by government, business and Jewish philanthropic bodies. Armed and committed, the extremists are powerfully connected to Israel's right-wing secular and religious political parties who dream of reconstituting, to a greater or lesser degree, the ancient frontiers of David and Solomon. Their constant invoking of the *mitzvah* (Biblical commandment) prohibiting the return of any portion of the Promised Land to the "gentiles" has won them the support of large numbers of Orthodox Jews both in Israel and abroad. Interviewed in 1985 in the daily *Davar*, Gush Emunim (Bloc of the Faithful) leader Beni Katzover described the idea of a West Bank withdrawal as "madness," adding that such a move would provoke "street fighting and public battles" in which some settlers would prefer the use of "arms" to financial "compensation." Whether or not the extremists' threa of "civil war" are bluff, their involvement in various acts of murder and terrorism against Arabs has imbued them with a credibility for violence which would provide a contentious, irresolute government with a welcome pretext for endless vacillation.

Unfortunately, Israeli policymakers, unrestrained by Washington or the Diaspora communities, and unwilling to

or incapable of coping with the awesome socio-political changes that would attend the dismantling of the nearly century-old "Zionist enterprise," might opt for the least humane but politically expedient solutions to the demographic threat. They could dispense with all pretenses to democracy and, building on those discriminatory modalities already in place, become a state like South Africa in which the Jewish minority would rule over an Arab majority stripped of all civil and political rights.

Even expulsion

Alone, or in concert with this, might be mass expulsions — executed under the cover of war or on the pretext of some extraordinary "security threat." A precedent for this was established when Jewish armed forces drove 300,000 to 400,000 Arabs beyond the borders of partitioned Palestine in 1947-48, and an additional 680,000 (many refugees from 1948) from the West Bank, Gaza and Golan Heights in the June 1967 war. And there is no lack of evidence that the wholesale removal of Arabs, from both within Israel proper and the territories, is viewed today, in right-wing circles at least, as an acceptable alternative to a binational "Greater Israel." Rabbi Kahane regularly calls for the purification of Israel by excising the Arab "cancer." In May, Yuval Ne'eman, chairman of the ultra-nationalist Tehiya Party, told a conference of party members on the West Bank that "any peace treaty with the Arabs must provide for the emigration of 500,000 Arab refugees out of Palestine." Testifying before the US Senate Foreign Relations Committee in July 1982, former US Under-Secretary of State George Ball recalled a conversation with Ariel Sharon (now Minister of Trade and Industry), wherein Ball obtained "the impression" that it was Sharon's "long-term strategy" to "push the Palestinians out of the West Bank," keeping "only enough for labor."

In a desperate bid to forestall such an eventuality, the Jordanians announced in November a contemplated \$1.3 billion 5-year development plan (contingent on international funding) to enable the inhabitants of the territories, especially the West Bank, to, in King Hussein's words, "withstand Israeli evacuation policies." Hussein, who has rejected overtures by the PLO to transform Jordan into a frontline guerrilla base, and whose subjects are over 50 percent Palestinian, is properly fearful of the effect another influx of refugees would have on his rule. Fifty-one percent of the Kingdom's exploding population is under fifteen and unemployment is anywhere between 8 and 12 percent of the work force. In so far as his initiative, backed by the US and Israel, is seen to challenge the influence of the PLO and buttress Jerusalem's strategy of keeping the territories in a protracted state of subservience, the harried monarch has been labelled a "traitor" by Palestinian nationalists.

Meanwhile, the mostly youthful Arab residents of the territories' towns and squalid refugee camps continue to throw stones, stab settlers, and fervently proclaim their allegiance to Arafat and the dream of an independent Palestinian homeland.

And as they do, their numbers grow. □

Help for the poorest farmers

by Bill Glaister



"IFAD has proved its effectiveness in channelling resources to the normally unreachable farmers. Most financial institutions do not extend their services to the small rural farmer because they consider him too risky."

Unia Mwila
Minister of Agriculture,
Zambia

The International Fund for Agricultural Development (IFAD), in its ten years of existence, has pumped over \$2.9 billion into projects designed to help the very poorest of people in the very poorest of countries. This is one of the newer UN organizations, designed to involve the client states, and avoid the bureaucracy and waste which some of the older UN groups such as UNESCO and the FAO have been charged with.

IFAD was an idea in the minds of many officials in the mid-'70s. The developed nations were losing their cash surpluses while the OPEC countries were rich in oil revenues that they were having trouble circulating. At the same time development experts were realizing that aid programs often were not helping people at the very bottom of the economic scale—the poor farmers, the town dwellers who wanted to become entrepreneurs, the agricultural cooperatives which could not raise working capital.

Circumventing the bureaucrats

Developmental organizations were also undergoing reassessment. There were criticisms that some of the multilateral organizations had rigid structures, unresponsive to the real needs of clients. Some donors started to become concerned with the management of multilateral agencies, feeling that their bureaucracies were swallowing too much of their budgets. The Food and Agriculture Organization is one of those singled out for criticism. Diplomats and economists have accused its head, Edoard Saouma, of creating his own imperial system with an overgrown and expensive staff. UNESCO has come under heavy criticism from the United States and Britain — to the point where they have withdrawn from the organization. Already by 1974 some countries realized that the organizational structures of these UN bodies could lead to trouble in terms of corrup-

tion and an unwillingness to follow the policies of the donor countries.

The World Food Conference in Rome in 1974 brought these concerns together and the idea of IFAD was born. It was 1977 before IFAD officially came into existence. Its tripartite structure was recognized from the beginning. At present there are 141 members in three groups. There are twenty members in Category I, including Canada. These countries, members of the Organization for Economic Cooperation and Development (OECD), provide a fixed proportion of the financing. The other major donors are in Category II, and are twelve oil-exporting OPEC members. There are 109 non-oil-exporting countries in Category III, the developing members. Each category has an equal representation on the governing council, insuring that recipient nations do have a voice in creating policies for their own development.

Three categories

It was originally planned that Category I and II donors would split their contributions on a 50:50 basis, but that has never been the case. The OECD members have generally contributed 55 percent or more of the funding, with the OPEC members contributing 45 percent or less. The developing countries — Category III — have made only token contributions: \$19 million to date. Overall, IFAD has a working capital of about \$2.2 billion and is seeking a further replenishment of \$460 million. IFAD has also embarked on a special program for Africa which will need \$300 million.

IFAD has always taken a different approach to development, based on the Jeffersonian idea that strong and wealthy small farmers and entrepreneurs are the best force for economic growth in a developing country. It has a small staff, only 190 in total, and its employees work in partnership with sectors in the recipient nations. Its projects have been diverse, always concentrating on giving a chance to poor people. In Bangladesh, IFAD economists realized that would-be entrepreneurs were limited by a lack of loan capital. Conventional banks would not make loans, however small, to individuals who had no collateral. IFAD and the government supported the Grameen Bank, a cooperative set up to handle IFAD funding. It has helped over 160,000 rural poor receive credit. To escape conventional collateral requirements, landless people had to set themselves up in 5-person groups to guarantee loans. The main requirement for borrowers was that they had to show that the loan could produce income. The loans were often for no more than \$50. Borrowers would use the loan to buy a cow, or a loom, or a peddler's stock. The loans have a 99

Bill Glaister is a former Canadian Foreign Service Officer, now a freelance broadcaster in Ottawa.

percent payback rate, and an interest rate of 13 percent. The program has helped some of its recipients double or triple their incomes — and take their first steps toward economic independence. The experimental results of the Grameen Bank have so impressed the Bangladesh government that it has recently become a permanent institution on a nation-wide basis.

IFAD successes

IFAD helped a group of fishermen in Djibouti turn a hand-to-mouth existence into a productive cooperative. In 1980, IFAD loaned a group of seventy struggling fishermen \$1.2 million. They formed a cooperative that caught, processed, stored and marketed fish. They used the loan to purchase suitable equipment to carry out these tasks at an economically significant level. After three years, the coop had doubled production and had grown to nearly 200 members. This project established a modern industry, increased the income of a group of poor people, and increased the food supply of an emerging nation.

In The Gambia, IFAD helped a group of rural women gain an economic foothold on land on which they formerly had eked out a miserable existence. A government land improvement scheme drained marginal rice-growing land where the women farmed. In previous schemes, similar people had lost their land rights. IFAD specialists helped the women organize, taught them new agricultural techniques and lent them money for basic agricultural implements. Over 2,000 women received land, credit for seed and fertilizer, and simple tools and vehicles. Production has increased and double cropping is possible on the drained land. IFAD monitors the project to make sure production stays high and that the women retain control of their land.

Although IFAD has always had the same mandate, its projects have varied, and some of the early projects were unsuccessful. Like many other aid agencies, IFAD got involved in megaprojects. It quickly learned that megaprojects such as mass irrigation schemes were not the most cost-effective way to help poor rural people. Poor farmers simply could not afford to upgrade their agricultural equipment and technology to take advantage of the improvements brought about by megaprojects.

OPEC share falls

Changing world economic conditions have had a very real effect on IFAD. When it was formed, the OECD nations and OPEC nations had expected to share the costs of IFAD equally. But the decline in world oil prices and the gulf war have changed conditions for the OPEC nations. As a result, their share of the funding of IFAD has been declining. This changing funding balance has caused nations such as the United States to question its role in IFAD. For some months the United States withheld announcing its contribution to IFAD for 1983. Finally, the US agreed to a "burden-sharing" formula ending a roadblock to the replenishment financing. The OECD and OPEC nations agreed to contribute in the proportion of 60:40, a further reduction in OPEC's proportion.

The organization has had two presidents since its founding. Idriss Jazairy of Algeria has been in office since November 1984. The urbane Dr. Jazairy was educated at the National School of Public Administration in Paris, at Oxford and at Harvard. He was a senior member of the

Algerian diplomatic service and was economic adviser to the President of Algeria. His management style is low-key and the organization has attracted none of the criticism other UN bodies such as UNESCO or the FAO have received. On a recent visit to Ottawa, Dr. Jazairy made the case for additional IFAD funding to officials of External Affairs, ministers and opposition leaders. The Canadian government has made no additional commitments to IFAD. The Canadian government itself has embarked on a massive aid program for Africa called "Africa 2000." It is designed to aid African nations in bringing better conditions to their peoples, using many of the same strategies used by IFAD. One Canadian observer has said that Canada will probably maintain its normal contribution level to IFAD but is unlikely to increase its financing levels as long as Africa 2000 is in operation.

However, the impressive track record of projects undertaken by IFAD has given it a good reputation for worthwhile projects. As long as its division into three Categories of membership continues working, IFAD and its low cost projects to improve the lives of poor people will remain one of the UN's exemplary organizations. □

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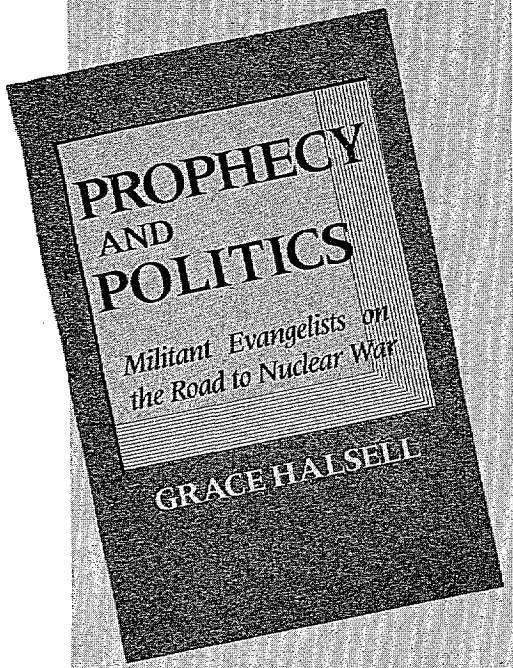
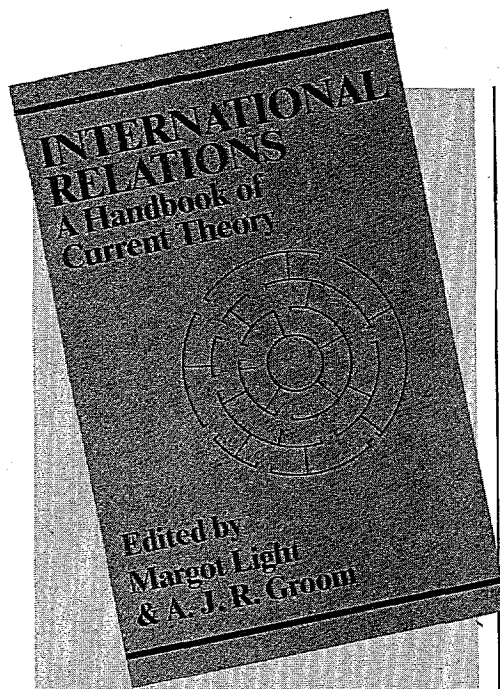
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Book Reviews



International relations theory

by Gregg Legare

International Relations: a Handbook of Current Theory edited by Margo Light and A.J.R. Groom. Boulder, Colorado: Lynne Rienner Publishers, 1985, 240 pages, US\$25.00.

This compact little book contains a set of commissioned essays surveying the field of international relations theory. In fact it is a sequel to a similar work in 1978 which evaluated the state of this field at that time. The contributors are predominantly English scholars associated with the Center for the Analysis of Conflict. The majority of them are also in the "World Society" or "Pluralist" school of thought. Most closely associated with the work of John Burton, this approach conceives of a single world society knit together by a net of transactions among many international groups and organizations. Universal human needs on an individual basis are seen as the basic driving force of international politics rather than the struggle for power, prestige and security among competitive nation states in an anarchic environment.

One might argue that the book is excessively "English" but given the sheer dominance of American realism in international relations theory

both in volume and impact, this perspective in fact constitutes one of the strengths of the book and is a useful corrective to the view, especially strong on this side of the Atlantic, that realism constitutes international relations theory. The editors are also acutely aware of the diversity in the discipline and devote the first half of the book to the inter-paradigm debate, that is, the controversy between the major contending theoretical approaches to analyzing international politics, namely Realism, Marxism and World Society or Pluralism. Michael Banks's lead-off essay on the inter-paradigm debate is among the best in the book and this section includes essays by Burton on World Society, Chris Brown on Development and Dependency theories, Richard Little on Structuralism and Realism and Mark Hoffman on Normative Approaches associated with British Idealism and international law. Michael Nicholson, the peace researcher, has a useful survey of methodology over the past decade. A particularly brave attempt is made by A.V.S. de Reuck to develop a personal synthesis of these rather incommensurate approaches, pointing out where they have points in common.

In addition to general theory of the international system, the last decade has seen a great deal of work on more specific aspects of international politics, or what the authors refer to as partial theories or islands of theory not concerned with explaining the entire system of international relations but certain key aspects. In addition, in the World Society approach the issue of decision making and conflict

resolution are central concerns. The second half of the book devotes seven essays to these topics. Among those surveyed are power and authority, war and conflict management, strategic studies, foreign policy and integration theory. In addition there are short chapters on the potential and actual contributions of anthropology and psychology to international relations theory. The essay on integration and disintegration by Groom and Heraclides is of particular interest, given its equal treatment of political disintegration within national units such as separatist movements, and claims for autonomy. In the heyday of integration theory, premised as it was on a highly optimistic reading of the European Communities and functionalist theories, talk of political disintegration was in extremely short supply. This supranational or state-building bias is corrected in the newer work on the topic.

The book ends with a short but useful survey of major textbooks in the field of international relations theory which will be of considerable use to those planning courses in international relations.

Overall, the essays collected here are written in easily comprehensible and simple language (unusual in itself in the field of IR theory). As its title implies, it is a handbook or evaluative survey of the field, not a detailed exposition of the contending theories and approaches. Readers wishing the latter will have to consult the copious references provided by all the authors. This aspect though may be a shortfall for readers who do not already have considerable knowledge of the field, since some of the essays are very cryptic classifications of the literature. These tend to suffer from a lack of sufficient description of the theoretical positions the authors are making judgments on. Readers without a background knowledge of the field might find this frustrating.

Given this limitation, however, the book is a timely and useful contribution to current English thought on the state of international relations theory and is understandable by the general reader. For both these achievements the editors and authors should be congratulated.

Those interested in the state of current international relations theory, or who are tired and displeased with the state-centric, power politics views of realism so dominant in North America, would be well advised to consult this book for relief. So too would those planning curricula in international relations courses, as the bibliographies and classifications of works into schools of thought are first rate.

Fragmentation and Integration: Aspects of International System Change edited by Harto Hakovirta. Helsinki: Finnish Political Science Association, 1986, 140 pages, US\$10.00.

This is the fifth in a series of small essay collections put out by the Finnish Political Science Association in English and the first covering a topic in international relations. It contains four essays, three of which focus on Europe. All deal with aspects of security and international diplomacy rather than the more common fare of economic issues and institution building, usually encountered in integration studies.

The overall emphasis of these essays is on system change and the increasing fragmentation of the bipolar, post-1945 international system. Two of the contributions discuss the fragmentation of the Europe-centered East-West alliance system by political forces such as European neutralism and the German peace movement's visions of alternative European security orders. Like much of the literature on the pacifist and neutralist movements the reader detects here an underlying sense that these movements are rather suspicious and not to be trusted, because of either their idealism or the perceived impracticality of their policy prescriptions. One gets the impression that these authors would rather live with the militarized status quo they know than risk the unsettling effects to the security regime which neutralism implies.

The problem of foreign policy unification within the European Communities is taken up by one of the essays, which fastens onto the foreign policy declarations and resolutions of the European Political Cooperation System institutionalized after the 1974 EC Summit in Paris. The essay explores the degree to which the Community can effectively be viewed as a unitary political actor. It finds it to be essentially reactive rather than an initiator of policy, and the Presidency of the Council of Ministers to be the key institution. The author concludes that the ability of the EC to function as an independent foreign policy actor is very modest. His essay points to the need to study the political processes of building a Euro-consensus as a major constraint on the diplomatic activity of the EC.

Perhaps the most interesting article is by Raimo Varynen on the role and place of Third World states and conflicts in the East-West system, since this is the area where competition among the bloc leaders is most open and unregulated. Third World conflicts are increasingly the focus of superpower interventions which serve to complicate and aggravate local conflicts. Arguably, the deterioration in relations between the two superpowers has occurred because of their interventions in Third World conflicts. Varynen's essay points to the growing influence of Third World power centers in the fragmentation of the bipolar international system. He conceptualizes Third World conflicts as an anti-imperialist struggle for emancipation from their subordinate position in a hierarchic international system dominated by the Western (and Eastern) powers.

Overall this short collection of essays constitutes a useful contribution to thinking on the transformations of the international security system as well as furnishing an interesting glimpse of Finnish thought on international relations.

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Quebec and Northern Ireland

by Robert Jackson

First World Nationalisms: Class and Ethnic Politics in Northern Ireland and Quebec by Katherine O'Sullivan See. Chicago: University of Chicago Press, 1986, 215 pages, US\$30.00 (cloth) and US\$11.95 (paper).

This short, succinct volume discusses the theories of class and ethnic politics which underlie nationalism. Its essential conclusion is that there is no theory, interpretation or hypothesis which fully explains the ethnic conflicts in the First World.

The author's examination of the origin, development and dynamics of ethnic conflict is multi-disciplinary, employing history, sociology and political science. Her own term for her approach is that of historical sociology. Much of her study, however, is not about theory, but is a rich-textured discussion of ethnic and class relations in Quebec and Northern Ireland.

The author studies the background of Protestant-Catholic Irish conflicts, and compares them with English-speaking versus French-speaking conflicts in Canada. She shows how Northern Ireland has remained lodged in a sectarian struggle, while Quebec made a successful transition to a secular state. In view of this difference, she cannot explain ethnic divisions in terms of religion, but instead she explores the distinct patterns of colonialism, capitalist development and state growth in the two geographical locations.

Katherine O'Sullivan See's conclusion is that current conceptual paradigms about ethnic and class relations are of limited use. Her answer to this problem is that each must be studied as a complex interaction of ethnic and class structures, and thus neither (viewed separately) can explain the rise of nationalism. She then evaluates the importance of the principle of self-determination as a justification for nationalism, examines the ideological patterns that arise, and concludes that studies of nationalism are

trivialized in most cases because the scholars have not been able to grapple with the paradox found in modern societies between enduring group inequalities and persisting principles of individualism.

This volume on First world nationalism will provide little new information to students of Northern Ireland or of French Canada, but it does give an excellent summary of the theories explored in the literature on the topic. Thus, See's major contribution in this book is a synthesis of the theories about the subject. The difficulty is that, as she concludes, they are all inadequate.

Robert Jackson is Professor of Political Science at Carleton University in Ottawa.

Double standard of self-determination

by David B. Knight

National Self-Determination in Postcolonial Africa by Benjamin Neuberger. Boulder, Colorado: Lynne Rienner Publishers, 1986, 150 pages.

The concept of self-determination is an ancient one although the explicit use of the words — first as *selbstbestimmungsrecht* — seems to be of 19th Century origin. Lenin and Wilson formulated and (especially in the case of Wilson) were believed to have accepted contrasting definitions and applications early this century. The concept was applied unequally following World War I. The high point in the formulation and application of self-determination undoubtedly occurred after World War II, once the United Nations had agreed that "all peoples have the right to self-determination." However, even as many colonial territories achieved "external" self-determination (i.e., freedom from a colonial ruler), they discovered there was a price; self-determination could be granted to colo-

nial territories, but only once, so the territories derived from colonial impositions provided the areal units within which the successor governments were both expected and obliged to rule. The decision by thus "released" peoples — or those who claimed to speak for them — concerning the form and direction of government was referred to as "internal" self-determination.

Initially, politicians (and scholars) expected that the new states would achieve a measure of "modernization" and "national unity," despite often astonishingly complex cultural pluralisms and discontinuities caused by the European-imposed boundings of territory and of the peoples thus circumscribed. In reality, national cohesion has been hard to achieve in most states, not least in Africa. This reviewer and some other writers have challenged international law as it currently stands by suggesting that quite new approaches to the definition of "internal" self-determination must be developed and applied so that intra-state pluralisms can be openly, positively, and legitimately acknowledged without necessarily causing existing states to be weakened by disorder and, possibly, disintegration.

Benjamin Neuberger suggests that "colonial [or better, anticolonial] self-determination" is "grand self-determination" whose objective is true internationally recognized sovereignty, whereas self-determination concerned with internal politics of the state is "small self-determination." The former refers to the colonially-defined "self"; the latter refers to definitions of large group "self" which, in Western jargon, are sub-state ethnic identities. Neuberger observes that there is no agreement on what is "national," what is "self," and what is "determination." He notes that sometimes external and internal self-determination are interwoven and cannot be separated; separatist claims, however, he restricts to being external self-determination, a point that surely can be debated. However, he correctly indicates too that in Western thinking reference generally is made to an individually based notion of self-determination — every person should have the right to vote, for instance — whereas, in contrast,

socialists will refer to a group — emancipation of the working class — application. In raising this distinction he then introduces the question of how Africans see the “self,” and he concludes that because of various factors at different times and under different conditions, there are different identities and different conceptions of “us” and “them.” In short, to the questions “Who am I?” and “Who are you?” the answer is, “It depends!” The fluidity of definitions of “self” reflect changing societal divisions that may, under varying circumstances, gel, and if politicized, give rise to demands for “self”-determination which might, perhaps, relate to a sub-state form of (political? social? cultural? economic?) self-control. On the other hand, there may be a demand for secession, for the creation of a new state.

African political leaders, after Nkrumah, express dismay at the prospect of “balkanization,” and so accept existing international political boundaries, despite the forgotten fact that European balkanization liberated many peoples from “colonial” or “quasi-colonial” rule! Indeed, African (“national”) leaders, understandably, are quite opposed to “ethnic revisionism” that would see “smallness” accepted via the destruction (balkanization) of existing states and the creation of many new mini-states. In short, “there exists an African consensus that only anticolonial self-determination is legitimate and worthy of support.” This stance deserves to be challenged, or at least vigorously debated, for, as Neuberger indicates, it is predicated only on the “salt water,” or overseas theory of colonialism, yet since the 1960s, “there is definitely an increase in the use of the concept of colonialism by Africans against Africans.” In short, Neuberger concludes, self-determination has been applied in Africa to the colonially-defined “self” but denied to other forms of “self.”

The book represents an excellent starting point for the discussion of the legitimacy of states in Africa. It is a theoretical work which helps to clarify many of Africa’s postcolonial “interethnic” conflicts, border disputes, secessions, and irredentist wars. It takes a broad view and thus provides a

context for regional issues. Neuberger asks what is the “self?” What, and who, is to be “determined?” How is the determination to be implemented? Is there an optimal size for a people and their sovereign territory? What is the connection between self-determination and secession? How does self-determination relate to other international principles? These questions deserve further exploration. But with respect to the issue of the double standard in terms of its application to the colonially-derived “self,” and denial to other definitions of group “self,” Neuberger states “we do not need to put a question mark. [The double standard] is alive and well in Africa, as anywhere else in this imperfect world.”

David B. Knight is a Professor in the Department of Geography and the Norman Paterson School of International Affairs at Carleton University in Ottawa.

Selling in Europe

by Frank Petrie

The Export Guide to Europe 1986-87. Detroit: Gale Research Co. (in association with World Trade Intelligence Limited), 1986, 1,026 pages, US\$130.00.

With all the attention devoted of late to the Canada-US trade negotiations and new market possibilities in the Pacific Rim, Canadian business may be overlooking the importance of our trade with the European Community. Europe currently accounts for a much smaller share of our exports than it did in 1980. This trend is disturbing when one considers that — the United States aside — Canadian exporters are probably most familiar with the workings of Western European markets with which Canada has traditionally enjoyed a sizeable trade. It is within this context that I see *The Export Guide to Europe 1986/87* as a welcome addition to the bookshelves

of any company seeking to sell in Europe.

This practical marketing guide and directory of major importers provides essential information on the five largest European markets: West Germany, Great Britain, France, Italy and The Netherlands. Chapters on Spain and Portugal, the two newest members of the European Community, are also included, as trade with these countries has been altered significantly by their recent entry into the Common Market.

The European Community’s experience with economic integration is discussed in the introduction from the perspective of a foreign exporter looking for ways and means of penetrating this market. The dismantling of tariff barriers and import restrictions, the harmonization of minimum safety standards and greater uniformity in transportation documentation among Community members, all serve as practical evidence of the gradual movement toward integration. The notion of Western Europe as a single homogeneous market with blurred economic boundaries and uniform business practices can be misleading, however. As this guide notes, “Nearly thirty years of EC membership has not rendered the French any less French than they were before the EC was formed.” Exporters cannot expect to employ the same marketing strategies in France as in Germany. It is in introducing the exporter to the distinctive business practices and customs in each country that *The Export Guide to Europe* is true to its stated purpose of facilitating entry into these key European markets. The individual country reports contain clear and concise descriptions of market characteristics, distribution networks, testing standards and tips on overcoming cultural and linguistic barriers. This information is especially helpful to new exporters with little or no experience in European markets. The editors have also compiled one of the most comprehensive listings available of European buyers, distributors, and other types of importers. This information saves first-time and veteran exporters alike the time and money required to track down these necessary contacts.

Any successful exporter will attest to the importance of doing one’s

Book Reviews

homework before venturing into a foreign market. While *The Export Guide to Europe 1986/87* does not pretend to be a one-stop guide to selling in the European Community, I recommend it as an excellent first stop.

Frank Petrie is President of the Canadian Export Association in Ottawa.

UN and international crime

by Brian Meredith

A Guide to United Nations Criminal Policy (being Volume LIV of Cambridge Studies in Criminology) by Manuel Lopez-Rey. Brookfield, Vermont: Gower Publishing Company, 1985, 142 pages, US\$36.95.

This book is an overview of what, in the social sector, is often overlooked. It is about crime, and what we do about it internationally. It reviews what the United Nations during the past forty years has tried to achieve among its member governments, and the degree to which, in the changing circumstances of that period, it has been able to progress by consensus. The thrust has been to rationalize and identify the social problems involved and to achieve workable collaboration in containing them.

It all began before the wide employment of terrorism by states and by interest groups, and the exploration of it continues in this book in the bland terminology peculiar to the UN. Not surprisingly, the UN Secretariat, as the international bureaucracy that embraces the specialized agencies, and indeed implicitly the non-governmental organizations that impinge upon them, emerge as effective instruments in fostering the acceptance of change. The mosaic tends to be one of acronyms, of conferences and resolutions and recommendations, and it is inevitably open-ended, on-going, ever-evolving. It already needs updating.

The writer, Manuel Lopez-Rey, is an experienced guide. He has been a county court judge and a professor of criminal law at the University of Salamanca, and was for twenty years on the staff of the social affairs department of the UN, where he was chief of the UN section on prevention of crime. He has published numerous papers and several books on criminology. This one is part of a series on the subject put out by Cambridge University, where Dr. Rey is a visiting professor.

What he has to say deserves study by the professions involved — academic, political, economic and social — and by the media. We congratulate him and hope he may later set out plainly the conflict of interests that tends to emasculate the effectiveness of the UN in this sector — particularly with relation to terrorism and fraud.

Brian Meredith is a retired international public servant living in Ottawa.

The world votes

by Gordon Cullingham

World Atlas of Elections: Voting Patterns in 39 Democracies (First Edition) by Dick Leonard and Richard Natkiel for The Economist. Detroit: Gale Research Company, 1986, 160 pages, US\$85.00

This book does what it claims to do, and does it very well. If you want to know who won the last election in Australia, against whom, in which Chamber, by how much, and where and when, it is all here.

Thirty-nine democratic countries are included, that number being the

total that qualified under the three tests applied. First, size; there must be at least 200,000 people. Second, independence; "Only those countries which had been independent in 1985 for at least five years and had had at least two contested parliamentary elections in that period have been included." (Indeed! That would leave out many or most countries.) Third, freedom, a more subjective consideration, in which recourse is made to the Freedom House list, a careful ranking of the nations of the world, and of their records in certain categories usually associated with freedom. Some old countries which would not have qualified a few years ago now do (Spain and Portugal), and some countries which would have been in a few years ago do not now qualify (Sri Lanka and Malta). So thirty-nine is not many, in a United Nations of four-times that number.

The electoral systems are all explained, after grouping them in three broad categories: "plurality" (ours), "majoritarian" (winners must get over 50 percent), and proportional representation. The latter is subdivided into a few standard types.

The data are quite current, with results of elections up to mid-1986 included. There are also nine pages on the European Parliament — a lot of paper for a body as yet so feeble.

Errors are quite hard to find — and even quibbles are scarce, although any purist would find this misinterpretation from the Canadian section more than insignificant: "The government is responsible to the House, which is elected for a five-year term, which may be prematurely terminated at the will of the government." (There goes the poor old Governor General's last shot at political relevance.) But getting to the really trivial, how many will be surprised to learn that St. Pierre and Miquelon are not "Overseas Departments" of France, as they had thought these last years, but merely "Overseas Territories?"

Gordon Cullingham is Editor of International Perspectives.

Apartheid Torn Apart

Do transnational corporations with business in South Africa help sustain or erode apartheid?

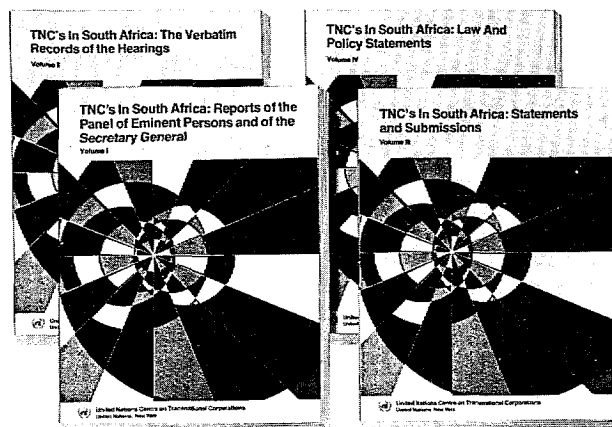
This and related issues were torn apart and examined at the United Nations on September 16-20, 1985 during the Public Hearings on the Activities of Transnational Corporations in South Africa and Namibia. A panel of eminent diplomats and political influentials heard from more than 50 informed persons, examined documentation, and made their recommendations.

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United Nations Publications

How the world ends

by Peter Martin

Prophecy and Politics: Militant Evangelists on the Road to Nuclear War by Grace Halsell. Toronto: NC Press, 1986, 210 pages, \$14.95.

In this crisply-written and well-constructed little book, Grace Halsell presents a nightmarish scenario for the end of mankind, and she comes frighteningly close to being persuasive.

Halsell tells us that writers like Hal Lindsey, whose *The Late Great Planet Earth* has sold eighteen million copies, and TV evangelists like Jerry Falwell, Jimmy Swaggart and Pat Robertson, whose fundamentalist audiences in the US are estimated at around forty million, argue that God has foreordained that we are in the last days before the great Battle of Armageddon. After the battle, only the born-again Christians will be "raptured," raised by Christ to a new heaven and a new earth; for the rest of us, indescribable torment in the Last Days is the forecast.

The prophecies are based largely on interpretations of the *Book of Revelation*, though individual verses from elsewhere in Scripture are introduced in support. Jerry Falwell is vividly explicit: the Soviets will march south in vast numbers; the battle will take place in Northern Israel; and, in an interview published in the *Los Angeles Times* Falwell says, "blood shall flow in the streets up to the bridle of the horses in the Valley of Esdraelon. . .horrible happenings that one can only relate in Second Peter 3, the melting of the elements, to nuclear warfare. . . uninhibited hostilities will occur on this earth." Later in the same interview Falwell opines: "I do not think we have 50 years left. I don't think my children will live their full lives out."

Because God has foreordained all this, arms negotiations are useless and any yearning for peace frivolous and heretical.

A provocative chapter in *Prophecy and Politics* provides some hard

Book Reviews

evidence and a lot of quoted opinion to demonstrate that, since the 1967 war, which changed "liberal" western perceptions of the State of Israel, the Israelis have sought — and found — support from the "conservative" born-again Christians in the US. On the basis of recent, apparently unrelated events it is certainly possible to imagine some elements in Israeli circles making such an alliance for reasons of *realpolitik*, despite the predictions of the fundamentalists that, when the great day comes, all Jews will be either slaughtered or converted.

But the nightmarish part of Halsell's scenario is found in the evidence she adduces that Ronald Reagan is a believer in the imminence and inevitability of Armageddon. The evidence is not unambiguous, consisting mostly of second-hand reports of what Reagan had said in private conversations, but *New York Times* columnist William Safire wrote in 1980 of listening to candidate Reagan tell a group of Jewish leaders that "Israel is the only stable democracy we can rely on as a spot where Armageddon could come."

Halsell was, of course, writing before Reykjavik and Irangate; it seems less likely now than it did a year ago that Ronald Reagan is irrevocably persuaded that God wants him to press the red button and bring us to the End of Days.

But *Prophecy and Politics* is well researched and well written. It is interesting, informative and even, at times, entertaining. Fortunately, it is not wholly persuasive.

Peter Martin is publisher of International Perspectives and editor of Balmuir Books.

Letters to the Editor

Sir,

I was shocked at the "objectiveness" of the supposedly scholarly article by James Kadyampakeni in your November/December issue ("Arabs and Israelis fear peace"). While starting out in a more or less neutral or even-handed tone, as the article undertook an analysis of the various claims, counterclaims, positions, and views of this troubled part of the world, it soon degenerated into a slick, and subtly sophisticated diatribe from only the Arab side of the Middle East problems.

This should have been obvious from the various section headings in the article alone. For example, on page 11 the right column includes in sequence, the section heading "Israeli imperialism," followed by one titled the "Arab case." And on page 13 the sequence includes, first in the left column, the section heading "Palestinians emerge," followed in the right

column with the section heading "Israel and expansion."

It should be obvious, too, that while the Arab governments talk a good game about their "support" for the Palestinian refugees, their talk doesn't extend beyond the hot-air rhetoric.

The nation states of the Arab League have long and often declared themselves to be the "eternal and fraternal" supporters of the Palestinian refugees, some two million of whom, tragically, live in various camps throughout the Middle East. But what are the capabilities of the nation states in the region to assist them? And in the face of this major tragedy, what have the nation states actually *done* about this problem, as compared to the rhetoric? A useful contrast is to note what Israel has done for the Falashas (the Ethiopian Jews)

who have desired to emigrate from Ethiopia to Israel in order to escape the terrible civil war in their native land.

Brian Finander
Jewish Federation of Greater Long
Beach and West Orange County
Long Beach, California, USA

May/June 1987

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Mr. Beatty's dilemma

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Editor's Note:

International Perspectives has existed for fifteen years — the last seven as an independent, commercial publication, after having been founded, and owned for its early years, by Canada's Department of External Affairs. Government ownership carried with it a peculiar kind of publishing problem — the political one associated with producing an objective journal by a publisher with policy assignments to carry out. That problem disappeared when the publication changed hands — but its ingredients turned out to be pretty much the same: the foreign policy issues that were there before; those old strategic conundrums, the weary issues of Canada-US relations, the squinting at international organizations, the too-familiar argumentation about development; and always a favorite theme of External watchers of the past generation — the waning of Canada's glory years and the bowing out of her crew of bold and dedicated diplomatic adventurers. Somehow, this new world was tougher, and for *International Perspectives*, coming of age in that reckoning, it meant meatier articles. But always with an eye on Canadian foreign policy and where it was taking us — and on those occasions of greatest consequence, taking the world.

This issue pokes into many of those areas of concern to Canadians, whether it be what we should do in Kampuchea or about that defence *White Paper*, in helping Africa to stop starving, or in finding better ways to fret about free trade, in the Caribbean or in determining where we stand on Middle East questions. These are all fields of Canadian concern — sometimes of Canadian enterprise as well.

And in July/August there will be another budget of subjects requiring Canadian decisions and difficult choices for our policymakers. We like to think that *IP* helps us all to participate in that process, and lets the government know that we are watching — and smiling or frowning.

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Free trade — another view

by Denis Stairs

It is a commonly held view of Canadians that their country has been created and maintained in explicit defiance of the requirements of economic rationality as determined by the combined forces of North American geography and the continental marketplace. There is much to be said for this interpretation of Canadian history. But in fact there have always been some Canadians who have argued that if our pockets could only be kept full, our political, social and cultural identities could safely be left to take care of themselves. If we prospered economically, we would have the means with which to prosper politically, socially and culturally, as well. In the middle of the nineteenth century, for example, after the British had repealed the Corn Laws, and had moved in the direction of free trade at the expense of the system of colonial preferences that had previously given Canadian products an advantage in British markets, Canadian authorities were quick to pursue access to the US market as an alternative. One of the arguments that was mounted in support of the reciprocal free trade agreement that resulted in 1854 (confined though it was to natural products — fish, timber, coal and agricultural commodities notably among them) was that it would help to undermine the case for political annexation to the United States as a solution to Canada's economic problems. If Canadians could maintain their economic wealth, in short, full political amalgamation with the United States would seem neither necessary nor attractive. A policy of reciprocal free trade that many were later to oppose on the ground that it would eventually lead to the political integration of the two countries, was thus perceived at first as a necessary defence of Canada's independence.

Earlier free trade

The 1854 Reciprocity Treaty was abandoned at American request in 1866, and it is sometimes forgotten that in the early years of Confederation Canadian governments vigorously pursued its renewal. They failed, and the Prime Minister, Sir John A. Macdonald, mounted his so-called "National Policy" in 1879 almost as a second-best solution. At the beginning, moreover, he defended the policy partly on the ground that one of the principal advantages of the new structure of protective tariffs that it included was that it would lead the Americans eventually to the realization that reciprocal free trade with Canada was actually in their own best interest, and would therefore ultimately make possible a resurrection of the reciprocity agreement. Macdonald's adoption, therefore, of the view that free trade

with the US would actually *threaten* Canada's independence (as well as the cherished Canadian connection with Great Britain) came only with his successful election campaign in 1891, at a time when the opposition Liberals were advocating the negotiation of an unrestricted reciprocity arrangement, and thereby made a particularly inviting target for political attack on nationalist grounds.

Even in 1911, when the Liberal government of Sir Wilfrid Laurier announced that a new reciprocity agreement had been successfully negotiated with the Americans, the opposition that ensued came first from interests that were vested more in economics than in politics. It was led, that is, by business leaders — mainly in central Canada — who feared that the new arrangement, which applied again only to natural products, would soon be extended to manufactured goods as well, and hence deprive them of their beloved protective tariffs. The electoral battle that ensued, being exposed to public view, was naturally fought on higher ground. The maintenance of the British Empire (widely viewed by Canadians as a force for good), and the survival, as one of its most important parts, of a Canada that was independent of the United States, were portrayed as the principal stakes at issue. But in retrospect, some of the architects of these high-blown arguments appear to have been transparently self-serving.

Even if the political arguments were inspired at their source more by economic advantage than by political conviction, however, they struck a responsive chord in the electorate. The Liberals were turfed out of office, and reciprocity was turfed out with them. The result thus reflected in large measure the more general and persistent Canadian fear that economic integration with the United States would soon be followed by political, social, and cultural integration as well.

It was this same preoccupation that caused Prime Minister Mackenzie King in 1948 to reject an ambitious proposal for a Canada-US customs union, which had been engineered by Canadian and American officials in negotiations over the previous winter.

Denis Stairs is Professor of Political Science at Dalhousie University in Halifax. This article is based on an address he delivered recently at Brigham Young University in Provo, Utah.

Historically it is clear that Canadians in general have found it difficult to separate their economic relationship with the United States from their concern to preserve their autonomy and independence in other areas of public policy, and to protect what they have perceived — often only dimly — as distinctive features of their society. Canadian governments, moreover, have deployed a substantial array of policy instruments in their attempts to respond to these preoccupations. In so doing, they have had in some measure to defy the iron laws of economics and to resist the natural pull of continental economic forces.

Economics dominant consideration

Given this historical background, the surprising feature of the present debate in Canada is the intensity with which it has focused on the economic aspects of the issue, to the neglect of traditional concerns about its implications for the country's political, social and cultural life at home, and for the conduct of its foreign policy abroad. It would appear, in effect, that those who support the bilateral initiative are in pursuit of economic gains (for the first time in Canadian history) without serious reference to non-economic costs. Implicitly, therefore, and sometimes explicitly, too, they have accepted the primacy of economic over other values. Their ranks include not merely the Prime Minister and the governing political party, which seems almost completely to have abandoned its traditional nation-building role (or, at least, its conception of how that role can be most effectively played), but far more importantly, the technocrats and bureaucrats by which the government is most obviously advised, and those sectors of the academic, journalistic and business communities by which it is most heavily influenced.

This is not to say that non-economic arguments are never heard, for some of them obviously are. But this suggests that for the first time in Canadian history they are not being considered seriously, and on their merits, by those who are now responsible for the making of Canadian public policy. They are received, that is, not so much as considerations that must be carefully weighed in the balance and taken soberly into account, but as untutored expressions of the immature and the naive — as inconveniences emanating from a domestic political environment in which the exercise of reason is threatened by irrational myths and ignorant fears. That being so, they amount to obstacles against which tactical campaigns must be mounted, rather than concerns that a responsible public policy may need to reflect.

This is, of course, a sweeping assertion, and it is in the nature of such observations that they are to some extent impressionistic. But supporting evidence can nonetheless be found, and it may be useful to consider some of it here, beginning with the changes that have taken place over the last decade or so in official expressions of government opinions and policies.

"White Paper," 1972

For this purpose, the obvious point of departure is the special *White Paper* on Canadian-American relations, which was issued by the Department of External Affairs in the autumn of 1972 under the title "Canada-US Relations: Options for the Future." Almost entirely preoccupied with

the question of continental "integration," the paper examined the problem from the military, political, economic and cultural points of view. Drawing attention to the pervasiveness of the American presence in almost every aspect of Canadian life, it identified three broad options for Canadian policy.

The first option was to try "to maintain more or less our present relationship with the United States with a minimum of policy adjustment." This was rejected — largely because there was "a risk," as the paper observed, "that, in pursuing a purely pragmatic course we may find ourselves drawn more closely into the US orbit."

The second option was to "move deliberately toward closer integration with the United States." This option, too, was rejected. The paper's authors, observing that a "free trade area or a customs union arrangement with the United States would, to all intents and purposes, be irreversible for Canada once embarked upon," noted that the idea had "been rejected in the past because it was judged to be inconsistent with Canada's desire to preserve a maximum degree of independence, not because it lacked economic sense in terms of Canadian living standards and the stability of the Canadian economy." Their own conclusion was that the "probable economic costs and benefits . . . would require careful calculation," but that the "more fundamental issues. . . [were] clearly political," and it was "a moot question whether [the] option, or any part of it, is politically tenable in the present or any foreseeable climate of Canadian public opinion."

The acceptable option, therefore, was the third. Ottawa wags called it the "ham in the sandwich." It was described as a "comprehensive, long-term strategy to develop and strengthen the Canadian economy and other aspects of our national life and in the process to reduce the present Canadian vulnerability." This was a little, perhaps, like having one's sandwich and eating it, too. It could be argued, after all, that to suggest that Canada should develop its economy while promoting its independence was to state the problem rather than the solution. But what in fact it meant was a strategy of diversification in economic activity abroad, of which the "contractual link" with the European Community was to become the chief example, combined with traditional nation-building policies in economic, cultural and other fields at home. The entire thrust of the paper reflected above all the view that the relationship with the United States could not reasonably be considered in economic terms alone, but also had to take into account an interlocking array of political, economic, social, cultural and foreign policy interests.

New strategy for the '80s

This performance can be usefully contrasted with the discussion paper entitled, *Canadian Trade Policy for the 1980s*, issued by the Department of External Affairs eleven years later, in 1983. The paper was a sophisticated review of Canada's trading position in an increasingly competitive international environment. While generally favoring a multilateral approach to trade liberalization — that is, an approach through the General Agreement on Tariffs and Trade — and while stopping short of advocating a policy of complete bilateral free trade with the United States, it suggested the negotiation of limited Canada-US free trade

arrangements on a sector-by-sector basis. In rejecting bilateral free trade across the board, the paper made brief mention of the political sovereignty factor, but the issue was not further developed in the discussion, and the cultural aspects of the problem were not raised at all.

The Department's position — now reflective of settled Cabinet policy — was taken one step further in its December 1985 booklet entitled *Canadian Trade Negotiations: Introduction, Selected Documents, Further Reading*. The particular texts that are assembled in the collection are focused almost entirely on the economic objectives of the bilateral talks, and little attention is given to political or other issues. The booklet included a June 1985 departmental analysis in which there is a brief mention of "political sovereignty implications," but these are viewed in beneficial terms. A move toward freer trade, the authors argue, "should strengthen the economic fabric of the country; it should reduce regional differences on the conduct of trade policy; and it should reinforce a growing sense of national confidence." They go on to suggest that "a bilateral treaty could be a better guarantor of our sovereignty than the gradual uncontrolled drift toward integration now taking place. The possible adverse consequences can be managed by pursuing deliberate policies of strengthening cultural and other fields of endeavour which would bolster our national identity." In effect, the authors reach conclusions that are the precise antitheses of the arguments their predecessors advanced in 1972, and their position is, of course, echoed in a speech by the Secretary of State for External Affairs, Joe Clark, which is reprinted elsewhere in the volume under the title "Trade Negotiations and Cultural Industries."

In assessing these evolutions, it may be pertinent to note that by 1983 the Department of External Affairs had been amalgamated with the trade divisions of the old Department of Industry, Trade and Commerce. It is possible, therefore, that the change in the Department's policy can be explained in part by the change in its bureaucratic composition (as well as by the more obvious change in the country's political leadership). In fairness, too, it should be understood that the 1983 and 1985 publications were directed specifically to trade policy, and not to the analysis of Canada-US relations in general. The point, however, is that in 1972 it would have been thought totally inappropriate — and certainly unhelpful — to have analyzed the problem of Canada's trading relationship with the United States without also taking fully into account a variety of other political, social, cultural and foreign policy interests. In short, the policy problem would not have been conceived, much less resolved, in economic terms alone.

Fundamental changes in attitude

This may have the appearance of making too much of too little. Government position papers, after all, come and go — like academic enthusiasms — in easy accommodation of passing fads. But there are other indicators — apart from the fact of the negotiations themselves — to suggest that the change may be more deeply rooted than this interpretation would allow. Bilateral free trade with the United States has also been supported by the Economic Council of Canada, and by the Senate Committee On Foreign Affairs. It was

one of the most central recommendations of the massive report of the Royal Commission on the Economic Union and Development Prospects for Canada (the "Macdonald Commission"), and the Commissioners found strong support for bilateral negotiations in the testimony of many of those who presented briefs at their public hearings. All of the provinces except Ontario have been broadly supportive of the free trade initiative, and even the Ontario government is cross-pressured by an economic constituency that is clearly divided on the issue. Business community organizations such as the Canadian Manufacturers' Association (until recently a strongly protectionist voice) and the Canadian Federation of Independent Business have also tended to favor the negotiations. In the press, there have been occasional expressions of caution and concern, but relatively little of the comment has focused on the non-economic aspects of the debate.

It could be argued, of course, that these indicators reflect only a temporary phenomenon, and that the pendulum will eventually swing the other way. But there are reasons for suggesting that this will not happen.

The first results from the obvious fact that, in spite of the various counter-measures that Canadian governments have deployed, the country has already become so closely integrated with the United States that the process appears now to be an irreversible force of history. Some 30 percent of Canada's GNP enters into foreign trade, and more than 75 percent of total Canadian exports go to the US market. Similarly, more than 70 percent of imports are purchased from American sources. The proportion has been increasing steadily, and in the manufacturing sector it has been encouraged in particular by the growth of intra-corporate exchange — that is, by trade between Canadian subsidiaries and their American parents. Tariff walls have been dropping in any case as a result of multilateral agreements negotiated through the GATT.

On the cultural side, it is true, there have been very substantial displays of indigenous Canadian prowess in the literary and performing arts, but this has been much less noticeable in the related, but more commercially-dependent, field of popular entertainment. The flood of American books, magazines, films and television programs — to say nothing of fashions and fads — continues unabated. In some areas, advances in communications technology have reached the point at which government regulation becomes managerially impossible even if regarded as socially desirable. The Liberal government's abandonment not long ago of the attempt to regulate the private use of devices for receiving satellite transmissions of American television programs provides an obvious case in point.

Reactions to the changing attitudes

These realities seem now to be producing two reactions, and they reinforce one another. The first is pragmatic. It is represented by the conclusions that the attempt by government authorities to resist the integrative process through the use of countervailing public policy instruments is ultimately futile because it is impracticable. It is better, in short, to align with the inevitable than to wage a war that cannot be won.

Politics of free trade

The second reaction is at once more subtle and more significant. It is reflected in the view that resistance is not merely ineffectual, but also to some extent improper or illegitimate. This is partly, of course, a matter of allowing the secular principles of Western liberalism to take over, and to assert that it is not the proper function of government to attempt, in these areas at least, to inhibit or otherwise influence the spontaneous evolution of our political, social and cultural values. These are questions for individuals in society to determine, and not for governments to mold. But the argument may also reflect the pervasive success of the assimilative process itself, so that liberal postulates of this sort are being invoked, not because Canadian policymakers and "attentive publics" are more enthusiastic liberals now than they were before, but because they no longer see anything fundamentally worrying in what has been happening to their society. If this is true, it effectively means that Canada's cultural integration with the United States has passed the point of no return. It has ceased, that is, to be seen as a legitimate issue on the national agenda.

Economic panic

If Canadians have given up on their founding national purpose, therefore, it may be partly because they no longer believe that continental integration can be resisted, and partly because they have lost the will to think that it should be resisted. But they may have given it up for a second reason, as well — economic panic. For, with some exceptions, Canadian economists and public administrators have become more and more concerned that, in an increasingly regionalized world, Canada has no other place to go. The negotiations of the "contractual link" with the European Community may have been a triumph of Canadian diplomacy, but it was a lamentable failure as an instrument of foreign economic policy. It has become increasingly difficult, in fact, to find overseas markets for Canada's manufactured goods, and exports of raw materials and natural resources (as any inhabitant of British Columbia will attest) are subject to unseemly ups and downs.

Having no easy access to either industrialized Europe or industrialized Asia, and having discovered that for the foreseeable future there is little prospect of solving the problem through trade with the so-called "Third World" (to say nothing of the NICs), it seems natural to turn to the United States as the only accessible market of sufficient size to encourage the exploitation of economies-of-scale, and hence the production of value-added goods at internationally competitive prices. That being so, there is a strong feeling in Ottawa and elsewhere that every effort should be made to ensure that Canada's access to the US market is not only expanded, but permanently secured, so that Canadian producers will be exempted from such future rounds of American protectionism as may eventually find unwelcome expression in Congress.

Economists are practitioners of the dismal science, and the alternative they describe is appropriately gloomy: a contracting Canadian economy, plagued with inefficient industries, rising prices, high levels of structural unemployment, and public services substantially reduced as a result of declining government revenues. Economic integration

with the United States thus comes to be a virtue driven by necessity. And necessary virtues, unlike optional ones, are difficult to resist.

Shifts in Canadian economy

A third reason for not expecting a return of the pendulum is the altered distribution of pertinent political forces *within* Canada in such a way as to make the change politically more acceptable. Historically, the lines of battle on the free trade questions have reflected the regional interests of different parts of the country, with the natural resource and agricultural economy of the West being in conflict with the industrial and manufacturing economy of central Canada. Now, however, the national economy as a whole has become more diversified and complex, and even within particular economic sectors there are differences of interest, and hence of opinion. The result is that support for the free trade option has become more general and the opposition more diffused. Ontario, at the manufacturing core, still hesitates but its position is ambiguous. It is not clear whether its reservations are genuinely and deeply held, or are only being expressed on one hand to test the waters, and on the other to establish bargaining leverage for concessions from the federal negotiating authorities. In any case, the government in Ottawa is in a position to pursue the initiative with much less fear than ever before that it will arouse significant concentrations of opposition within a particular part of the country. To put the point another way, the issue is now less likely than in earlier decades to generate cleavages that coincide with important provincial boundaries.

Fundamental impact of freer trade

The central question remains: Does it really matter what the arguments for and against free trade are? The answer depends in part on the perspective and values of the analyst, and even then a "judgment call" is required. Individuals, therefore, who start from the same premises often reach different conclusions. It may be useful, nonetheless, to identify some of the more important of the non-economic concerns and to attempt in each case to assess the significance of the argument. For purposes of exposition it will be convenient to consider first the arguments that can be safely dismissed, and secondly the ones that thoughtful Canadians will want to take seriously into account.

There is no reason, first of all, to conclude that a bilateral free trade agreement would lead — even by slow degrees — to Canada's political integration with the United States in the formal, or institutional, sense of the term. That is, there is no reason to expect that it would eventually culminate in the unification of the two countries. For a variety of reasons, Canadians would vigorously resist any such development, and there is no cause to think that the Americans would press the case. In any event, both parties would have obtained most of what they wanted without this further step being required.

Second — and with qualifications to be discussed below — it seems unlikely that a bilateral free trade regime would have a significant impact on at least the *fundamentals* of Canada's political culture. This is partly because the two countries are driven, at the level of political philosophy, by the same basic values, and are organized politically on very

similar premises. They are identical, that is, in their commitment to the liberal democratic state, as governed by representative political institutions. To the extent, moreover, that there are differences in their political styles and practices, these are deeply imbedded in their respective institutional arrangements, and it seems improbable that these will be dislodged.

Third, it seems unlikely that a bilateral free trade arrangement, in itself, will have a truly significant impact on Canadian cultural activities or popular entertainments. This is not because patterns of trade are unimportant as determinants of the cultural process, but because the citadel — if ever there was one — has already been taken. Pump-priming of indigenous cultural activities could still be maintained (although probably not without occasional American protest), but there is little reason to think that the influx of American "products" in cultural fields would be more overwhelming under free bilateral trade than it is now.

The argument, finally, that free trade will lead to an erosion of the amiable gentilities of Canadian society also seems not to be entirely persuasive, although here it is more difficult to be certain. It is, of course, a cliché of Canadian commentators to observe that theirs is a more ordered and restrained, and less ruthlessly competitive, community than the American; that Canada prefers industrious beavers to soaring eagles, "peace, order, and good government" to "life, liberty, and the pursuit of happiness," and the RCMP to Billy the Kid. The vitality of America is expressed in its creative accomplishments and in the exuberance of its economic life. Canadians are duller. But they can safely walk the streets of their cities at night.

These, obviously, are stereotypical images. It is hard to know what to make of them. But to the extent that they reflect a genuine contrast between the two societies, it is not clear that that contrast will be eroded, at least in the short run, by a slight expansion of continental trade.

Unwelcome side effects

There are other areas, however, in which the side effects of a comprehensive free trade agreement could be very substantial — and from the Canadian point of view not altogether welcome. Three possibilities — or *types* of possibility — come most obviously to mind.

The first of these is that a bilateral agreement will tend to reduce Canada's freedom of maneuver in a large number of areas of public policy that are not directly related to trade *per se*, and lead in time to a "harmonization" of Canadian policies with those of the United States. This will happen under the impact of two simultaneous political processes. On the Canadian side, the process will result from the fact that any policy within Canada that has the effect of increasing the costs of Canadian producers relative to those of the United States will be strongly resisted by the industries concerned. These will argue, in effect, that if they are to have a reasonable chance of surviving the powerful competition of their American rivals, they must have an even start at the gate, and cannot be unfairly disadvantaged by government policy. This is a phenomenon that can be detected even now, but it will intensify — and certainly it will be more difficult for govern-

ments to resist — if it is legitimized by an agreement founded on the principle that all enterprises should have equal opportunity in the marketplace. Where Canadian corporate taxes are higher than the American, for example, Canadian producers can be expected to demand that they be appropriately reduced.

The same phenomenon can be expected to arise in relation to regulatory controls. If, for example, Canadian labor codes, safety requirements, product standards, or environmental regulations are in certain areas more stringent than the American, and hence more expensive to implement, Canadian production costs will be correspondingly higher, and Canadian firms will be quick to demand relief. The consequence over time is almost certain to be a harmonization of Canadian policy with American in a host of fields. In some areas, depending on one's point of view, this may be seen as an advance. In others, it will not. But in either event, the government's freedom of fiscal and regulatory maneuver will have been eroded. Even provincial government practices will come in for critical examination. Indeed they already have, as we saw in the softwood lumber dispute.

Constraints on Canadian policy can also be expected to result from political forces generated on the American side of the border, although this time in the opposite direction. That is, American producers will object to any Canadian policy that has the effect, not of increasing Canadian production costs, but of reducing them. The most obvious examples are government subsidies and other incentives designed to promote regional and industrial development (including the development of so-called "cultural industries"). There is evidence already, however, of this argument being mounted against policies that in Canada have a much wider social import — notably unemployment insurance, and other ingredients of the so-called social security "net." With a free trade regime visibly in place, American industries that were feeling the pain of Canadian competition could be expected to cry "Foul!" with even more than their present vigor.

In anticipation of such problems, Canadian negotiators will obviously try to protect their future freedom of domestic maneuver by bargaining for specific exemptions from the general provisions of the treaty, and much will depend on the terms of the eventual agreement. Even in the case of regional and industrial subsidies, moreover, the problem will presumably arise only in cases where part of the production is destined for the American market. Nonetheless, the potential implications for the autonomy of Canadian public policy are real and extensive, and it should come as no surprise to Americans if Canadians, in their public discussions, begin to take them seriously into account. Even now, there is a realization in some quarters that the negotiations with the United States have as much to do with "deregulation" as with trade *per se*. That, of course, gives them a significance which goes to the very heart of contemporary political debates in the Western world — debates bearing on the perennial question of the proper role in society of the state.

How we would look — to them and to us

There is a second group of considerations arising from the possible impact of a Canada-US free trade agreement on *perceptions* of Canada, both at home and abroad. In

external affairs, for example, it is possible that the declaration of a Canada-US free trade area would persuade governments elsewhere in the world of what many of them suspect already — that for practical purposes Canada's interests in international politics are the same as those of the United States, and that Canadian foreign policy can be routinely expected to support the American cause. Impressions of this kind — even now a problem for the Canadian foreign service — could seriously limit Ottawa's freedom of diplomatic maneuver, and make it more difficult for its voice to be heard.

Within the United States itself, moreover, the creation of a free trade regime could lead to very similar expectations, with the result that Canadian deviations from American policy would be viewed as surprising acts of betrayal, and hence would be more vigorously resented than they are at present. Canadian governments, aware of these realities, might therefore become increasingly reluctant to adopt independent positions on international issues. This is already the case, for example, in relation to Latin America. While precise measurement in such matters is difficult, under free trade the problem could become worse. For Ottawa, moreover, the political consequences of this dilemma could be intensified were American policies to become especially unpopular in Canada — as they were, for example, during the Vietnam War. Federal authorities

would then have the always difficult choice of irritating the Americans or irritating their constituents.

More importantly still, it seems probable that a public announcement that Canada and the United States had established a bilateral free trade area would have an enormous impact on Canadians' view of themselves. Psychologically, in effect, they would be "throwing in the towel" after more than 200 years of trying, against the opposition of overwhelming economic forces, to establish and maintain a political and social community clearly distinguishable from that of the United States. In other words, it would place Canadians, psychologically, inside the American "world-view," and in so doing it could well erode such slender will to meaningful national survival as they still possess. This does not mean that they would give up their formal sovereignty — for reasons already discussed, that would hardly be necessary. It means only that they might give up the attempt to *use* their sovereignty in significantly differentiated ways.

Accepting another ideology

The third serious possibility, closely related to the other two, is that the implementation of a free trade agreement would have the effect, very broadly, of changing the prevailing "public philosophy" in Canada in such a way as to make it very similar to that of the United States. This is partly a matter of "deregulation," and of the particular version of modern liberalism that deregulation represents. But, more broadly, it refers to the way in which the role of the state in society is conceived, and the priority that is given to economic over other values. Sweeping assertions on matters of this kind are rarely more than half-true, but one way of illustrating the difference is to observe that in the United States there is a general assumption in economic matters that labor should move to where the jobs are, while in Canada the expectation is that the jobs will move to where the labor is (and that the government will take remedial action if they do not). This is an economically inefficient principle, but it has always been argued in Canada, nonetheless, that it is a socially, culturally, and politically desirable foundation upon which to base public policy. It has been regarded, in effect, as a conception dictated by the kind of country Canada is, by the way in which its population is geographically distributed, and by the history and environment that its inhabitants have experienced. While there may be a strong argument in economics for saying that Cape Breton, for example, should be allowed to turn into a nearly-deserted national park, it is (Canadians have traditionally held) insufficient as a foundation for public policy precisely because it comes from economics alone and neglects other community values. If a free trade agreement, by exposing Canadians to both the philosophy and the reality of American economic competition, alters these assumptions, it will have transformed the character of the country itself.

One's view of these issues is thus ultimately a matter of political, as well as economic choice. Canadians will need to make that choice with the greatest care. Perhaps Americans will understand if the choosing proves difficult, and if it seems to complicate unreasonably the negotiations that have so recently begun. □

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Mr. Beatty's dilemma

by C.G. Gifford

"After commanding nuclear weapons for ten years, I have come to the conclusion that war is obsolete, and that we *have to* find another way of doing business." Those words were spoken by Colonel John Barr, a 30-year veteran of the US Marine Corps, who served in combat in the Korean war and in Vietnam.

This stark reality posed Defence Minister Perrin Beatty's dilemma — whether to defend the arms race and universal insecurity, or to invest military resources in defending international law and the prospect of real collective security.

More precisely, should Canada continue to aid the spread of nuclear weapons, making nuclear war ever more probable, and making a farce of the Non-Proliferation Treaty? Or should we instead exclude nuclear weapons, and supply a training ground for the international surveillance system which must come? Should Canada continue to add resources to its symbolic role in the military stalemate in Europe, or should it invest in the elimination of the many flashpoints of nuclear conflict in the Third World? In a word, should Canada continue to allocate military resources chiefly to preparation for World War III, in case deterrence fails, or devote them to building an international security system to replace war?

International dispute settlement

Colonel Barr's "other way of doing business" consists of replacing a make-believe collective security for the few with a real collective security for all. It consists of taking disputes to the negotiating table and the World Court, establishing a worldwide *open* military information system (breaking the superpowers' manipulative monopoly of such information), and building on the exploratory experience of United Nations peacekeeping forces.

The alternative to the permanent arms race does not have to be invented. The International Court of Justice has already been used to settle disputes which fifty or sixty years ago would have been dealt with by military confrontation. The central problem is to make the nuclear powers allow international institutions to take the place of their military and nuclear obsessions.

From 1963 to 1977, the superpowers took small, hesitant steps towards drawing back from the nuclear brink. Ten arms control agreements were negotiated and détente between East and West progressed. But in the past eight years, air-launched cruise missiles have been made operational on both sides, SS20s and cruise and Pershing II missiles have been sited in Europe, naval power armed with nuclear weapons has been expanded, MX missiles are well

on the way to coming on stream, and Trident II and Typhoon submarines have come into service. At the same time, the US government has intentionally violated one arms control agreement, is emasculating another, and is deliberately weakening the United Nations.

Five major trends

World War III, by accident or error, is more likely today than ten years ago. Canada's defence policymakers must take into account five major trends, in looking to the future.

First, the military situation in Europe has been stalemated for thirty years. There are no foreseeable circumstances in which the Soviets would deliberately invade Western Europe. Neither side has enough forces to break the stalemate in its own favor. And on neither side are there signs of the nationalistic fervor, the drive for economic expansion at the expense of neighbors or the ideological fanaticism which are essential to mobilize citizens for war. The European stalemate is a fine source of profits, promotions and power for the military, industrial and scientific complexes of both sides, but it is an expensive, wasteful, highly dangerous and useless institution.

Second, the real power struggle is taking place in the Middle East, Asia, Latin America and Africa. It is here that the Soviets twice considered initiating the use of nuclear weapons, before establishing their "no first use" policy. It is here that American presidents have considered the use of nuclear weapons, risking World War III, at least fourteen times since World War II. It is here that superpower intervention takes place daily, some by the USSR and more by the United States. The spark of World War III is many times more likely to occur in the developing world than in the European stalemate.

Third, whatever has been the case in the past, the Soviets appear to *recognize* present reality. Their military dispositions are as awesome and almost as overblown as those of our side. But at the center, where the decisions are made, their theory appears to have changed from regarding war as the extension of politics by other means to acknowledging that nuclear war would destroy politics, and that security for each nation now depends on security for all. Their actions have also changed. The 18-month Soviet moratorium on nuclear weapons testing and the promise to

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Using our military resources

continue indefinitely were verifiable and significant deeds. The evidence is strong that the Soviets are ready to begin dismantling the arms race.

Arms decontrol

Fourth, in the case of the US government, alas, the evidence points in the opposite direction. For nine years US administrations and the Congress have been spreading the surplus of nuclear weapons around the world, showing a renewed readiness to intervene in the Third World, and preparing to militarize space. The Soviets have been playing catch-up, but in virtually all these military fields the US government has been taking the lead. These actions all bespeak an expansion of reliance on military force and a rejection of the arms control process of the sixties and seventies, and of the United Nations and the International Court of Justice. Thus, since 1977 our world has become more dangerous. The likelihood that we will make the planet a very peaceful place as the aftermath of stumbling into World War III has increased.

The fifth trend is the steadily expanding awareness among citizens that World War III is the direction in which present policy is taking us. The phenomenal and continuing growth of the "peace movement," as shown by the number of groups (200 in 1980, 2,000 in 1986), the involvement of the professions and the spread of the nuclear weapons-free-zone movement, have introduced a major new factor into the policy equation. "Peace through strength," far from deterring the buildup of nuclear arms, has provoked it. Millions of citizens are asking, "What is this doing for us and our children, except costing money and leading us towards disaster?" The formerly cloistered defence establishment is now the object of critical scrutiny by an increasingly concerned and informed electorate.

Canada's chance

What are the implications for Canada's current defence policy choices? With regard to NORAD, the choice has become absolutely clear. NORAD cannot avoid being a vehicle for Mr. Weinberger's war preparation plans. Therefore, our government should announce that it is going to cease military integration with NORAD, that it will replace it with a Canadian Air Defence Command, and that north of the Arctic Circle will be demilitarized under surveillance by Canadian means with international observers, giving the US and the USSR assurance that our territory will not be used to threaten either.

NATO's overall function now is to find ways of dismantling the sterile stalemate and replacing it with a system of international monitoring and use of the International Court of Justice. This can be broken down into at least six components:

1. Accepting that NATO's current force levels are more than adequate to prevent Soviet delusions of grandeur and vice versa;
2. Stopping the introduction of new, threatening weapons and strategies, such as "Follow-On Forces Attack";
3. Research, development and implementation of non-provocative, truly defensive technologies and strategies as self-defence measures;

4. Matching such unilateral Soviet steps as a no-first-use policy and a nuclear test moratorium;
5. Negotiating mutual steps, such as creating a demilitarized zone between the two blocs in the center of Europe, and establishing an international arms reduction inspection regime;
6. Abolishing the two military blocs.

The citizens of many NATO countries are going through the same struggle to redefine their countries' policies as Canadians are. In particular, our Nordic NATO allies see things in much the same way as we do. It is in Canada's interest to join these NATO allies in changing NATO's direction.

Stay in NATO

Leaving NATO would not increase our security, since it would not of itself reduce the risk of a catastrophic war between the superpowers. At the same time, acting for our own and the planet's survival requires us to separate ourselves from present US military policies. It will be harder to do this alone than in the company of these NATO allies because of the US pressures which can be expected. Thus, it makes sense for Canada to stay in NATO. If nothing has changed within a very few years we will still be free to withdraw unilaterally.

The "other way of doing business" requires placing Canada's defence priorities in the following order:

1. United Nations peacekeeping;
2. Surveillance of our own territory, and especially the Arctic and our coastal waters;
3. The military contribution to NATO, without upgrading.

If we can only afford numbers 1 and 2 or 1 and 2 and part of 3, then, like France and Spain, we should keep our seat at the table, and work with like-minded countries for change in NATO policy.

Canada should also participate in the Nordic and Pacific nuclear-weapons-free-zone proposals currently developing.

There is a common sense rule of thumb for these difficult choices of allocation of resources. Will the strategy or the weapons system under consideration be used only in World War III? If so, there is no point in doing it. World War III will be the end, and we are overprepared for it already.

Saying "No!"

Some say we should not deny our territory to the United States Department of Defence, because they will violate it anyway. Those who say this do not grasp that what is at stake is our physical survival and possibly the survival of the planet. If we are going to do that we must keep the US Defence Department out. Of course we will have to pay a price.

The power and momentum of the US military-industrial-scientific complex, highly controversial as it is in the US itself, is not entirely new — it is an extension to a world scale of policies of US military control which have been

exercised for over 100 years in Latin America. It will require a major political realignment in the US to change this long-standing, now self-defeating, national policy — a realignment similar to, but more deeply rooted than, popular revulsion against the Vietnam war. The sanctuary movement, the freeze movement, International Physicians for the Prevention of Nuclear War, and other US citizen trends indicate that such a realignment may be in process.

The only path open to the US's friends is to limit the damage the United States government can do. We cannot stop the US administration from destroying us all if it so decides, but we can limit its scope for doing this, and we can send a firm, clear message by our actions. This is necessary as an effort for our safety, but a secondary result can be to give heart to the majority of US citizens who want non-intervention in Latin America, a freeze of nuclear weapons, multilateral disarmament, and adherence by their government to US and international law.

Quarantining conflicts

The most important area of military policy, and the one in which there seems to be the greatest gap, is that of establishing ways of quarantining the indigenous conflicts in the Third World and discouraging the Soviets, the Americans, and other industrial states from intervening in them. Such developments as the International Law of the Sea Treaty and the role of the International Atomic Energy Agency vis-à-vis the Chernobyl disaster, show how an international framework of institutions to replace the operations of raw national power is emerging. The trade in drugs, the trade in arms, the covert activities of super-power-sponsored and locally-sponsored terrorists alike must all become as reprehensible as the trade in slaves and the trade in women have become. There is surely no home for these emerging techniques but the United Nations.

These priorities and goals do not suggest an unfamiliar military policy for Canada, so much as a shift in emphasis — from emphasizing NATO to emphasizing peace-keeping, international surveillance, verification and policing. They involve a shift, for example, from expensive and unrealistic NATO North Atlantic convoy exercises to skill in the neighborhood conflict resolution which is the day-to-day experience of peace-keeping forces. They involve a shift from thinking Pentagon to thinking Canada and United Nations.

Soldiers can be citizens

These priorities and goals involve a shift also in the political exploitation of the military. It will be a great day for Canada when our military refuse to be silent in the face

of efforts to deceive the public through misleading NATO estimates of the NATO/Warsaw Pact military balance or dishonest statements about the warheads of cruise missiles. In 1982, when the Trudeau government's decision to allow testing of cruise missiles became public, the then director of arms control for the Department of External Affairs and a "strategic studies expert" from the University of Calgary, both tried to persuade the public that these air-launched cruise missiles were designed to carry conventional warheads. It was a citizen group which gave the public the facts — that the warhead is nuclear, with the force of 200 kilotons, fifteen times more powerful than the Hiroshima bomb. Canada's military leaders at the time must surely have known the truth, but nothing was heard from them.

The killing of women, children and old people through weapons of mass destruction has become the chief characteristic of modern war. This violates the Geneva and Hague conventions on the protection of civilians, and the morality of industrialized war has sunk below that of Genghis Khan. What the public needs from our military is a return to the concept of military honor, which rejects acceptance of atrocities as the daily task of the soldier, and which refuses to be a cog in a race to oblivion. Our military have a fine record of bravery in action. What we need from them now above all is career and political bravery — the kind of bravery shown by Major Helmut Priess and his uniformed colleagues in the Bundeswehr, who sacrificed opportunity for promotion by organizing the Darmstadt Appeal against the placing of cruise and Pershing II missiles on West German soil. This too is not a change of role, but an emphasis on the kind of Canadian patriotism shown by such leaders as Generals Sir Arthur Currie, A.G.L. McNaughton, F.F. Worthington, E.L.M. Burns and Leonard Johnson.

Until now, Canada has been able to be both an internationalist *and* a military adjunct of the United States. These two trends are now in direct conflict, and herein lies Mr. Beatty's dilemma. He wants to leave unquestioned our 50-year-old partnership with the Pentagon, with its inescapable involvement of Canada in preparations for nuclear war. At the same time he wants to prevent nuclear war, and that requires strengthening the international security system which must replace the arms race if we are to survive. It has to be one or the other. So perhaps this White Paper is intended to stimulate discussion. If so, this is all to the good and it would be a constructive step even now to send the Commons Defence Committee across the country to ask Canadians which of these choices makes sense to them. □

Our surpluses reduce their production

.....after they've seen Lagos.

Who will feed Africa?

by Robert D'A. Henderson

Based upon her detailed analysis of the world grain situation, Barbara Insel estimated (in the Spring 1985 issue of *Foreign Affairs*) that the cost of financing the entire 1984-85 Sahelian drought shortfall in grain was approximately US\$500 million. The blame for this grain production deficit (see Diagram 1) has repeatedly been assigned, not just to disastrous climatic conditions, but also to faulty economic planning and state mismanagement. While all these factors have undoubtedly contributed to the present continent-wide economic crisis, the grain deficit being experienced by most African states is also affected by the agricultural subsidy policies of the two principal grain exporters: the United States and the European Economic Community (EEC).

One way to highlight these external factors is by considering both West-West and North-South patterns in agricultural transfers. Today, the West-West context is dominated by the agricultural subsidy competition between the United States and the EEC, a competition which has had severe consequences for other grain exporting countries as well. At the time of the Sahelian grain shortfall, the United States government was annually spending almost US\$7 billion on US export credits and food aid programs. Comparable programs of agricultural subsidies and assistance by the European Community were approaching US\$1 billion.

Africa has come to include grain purchases and food aid as one more measure of its dependence upon the Western developed countries. Food aid programs in practice discourage domestic African production, particularly now when Western exporting countries are subsidizing export sales because of pressures within their own economies to sell or otherwise dispose of accumulating surpluses. Such contradictory policies by the Western grain exporting countries highlight the extent to which African states are limited in their economic reform options, particularly with regard to agriculture. In the case of the United States, its own agricultural subsidy policies are currently in direct contradiction to its recommendations for a "free market" approach to African economic reform.

US farm policies

The US administration under President Ronald Reagan has supported agricultural export policies which attempt to ensure that American grain exports retain their "traditional" share of world sales. These policies have been

declared to be "countervailing" actions against the European Community's subsidized grain exports, though both exporting regions have encouraged agricultural overproduction.

In June 1985, the Reagan administration implemented a new export subsidy program under which approved countries were permitted to buy a predetermined amount of US wheat which included a quantity of surplus wheat released from government stocks and given to the American exporters at no cost. This "bonus" amount permitted exporters to receive a larger payment than their own portion would realize. In announcing this "export enhancement" program, then Secretary of Agriculture John R. Block stated that "the first criterion is to sell more product" abroad while "the second criterion is to target markets where we [the administration] believe that unfair trading practices have victimized the American farmer." The US Congress authorized the Agriculture Secretary to spend US\$1 billion over three years in cash or commodities to promote export markets and another US\$500 million to spend at his discretion; a further US\$325 million was allocated to combat (i.e., by export subsidies) foreign competitors deemed to be using unfair trading practices. In addition to offers of subsidized grains to such major importers as the Soviet Union, the United States has currently offered to sell subsidized grain (or wheat flour) to over thirty Middle East and African countries.

Subsidies out of control

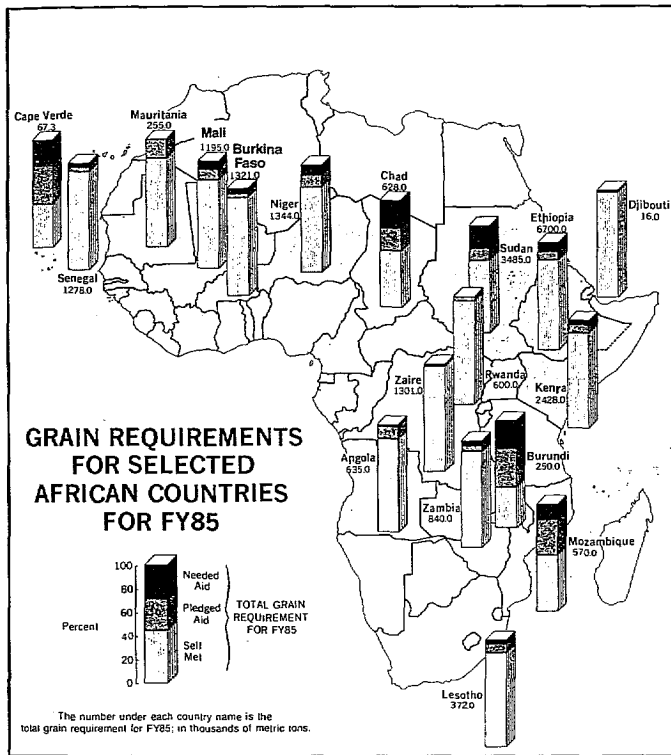
According to US Department of Agriculture estimates, 1986 farm exports would amount to only US\$27.5 billion, almost 12 percent lower than the previous year. In order to prevent any further rise in the 182 million tons of grain surplus as of mid-1986, US farm exports would have to rise by 90 percent, though only a 25 percent growth in export sales is projected. As a result, a 217 million ton surplus is forecast for mid-1987.

But the rising costs of its export subsidies and domestic farm support have forced the Reagan administration in its 1987 budget proposals to make sweeping changes, including cutbacks, in domestic farm support programs. During the 1986 fiscal year, current farm programs cost the US government more than US\$25.5 billion, according to James C. Miller, the Director of the Office of Management and Budget, and those programs had become politically unsustainable. Although the agricultural lobbies continue to have considerable strength in US politics, the proposed

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cutbacks in the farm budget are a reflection of the Congressional pressure for across-the-board cuts in government expenditure under the Gramm-Rudman amendment. The proposed changes are thought to be able to save more than US\$16 billion over the next five years.

Diagram 1



Source: US State Department, special Report No. 125, 1985, *Africa, The Potential for Higher Food Production*.

EEC farm policies

The European Community's Common Agricultural Program (CAP) subsidies have almost wrecked its budget. These subsidies cost the EEC US\$21 billion in 1986, 72 percent of the total budget of the organization. In the twelve months prior to September 1985, unsold surplus cereals in storage trebled, at a time when all its agricultural stock was valued at about US\$8 billion and costing almost US\$1 billion annually for storage. As of 1986, the EEC has in storage almost 17 million tons of grain, with a projected rise to 36 million tons by mid-1987. It is committed to spending a further US\$3.6 billion during 1987, which, at present it does not have.

There are calls to reduce some of the Community-guaranteed prices for agricultural production, though critics have pointed out that at least a 30 percent slash in guaranteed prices is necessary "to put its CAP house in order." The reason it is continuing such financially disastrous policies is the same as in the United States: strong farm lobbies. And European politicians are not yet prepared to cut off financial support to their over-producing but politically powerful agricultural sector.

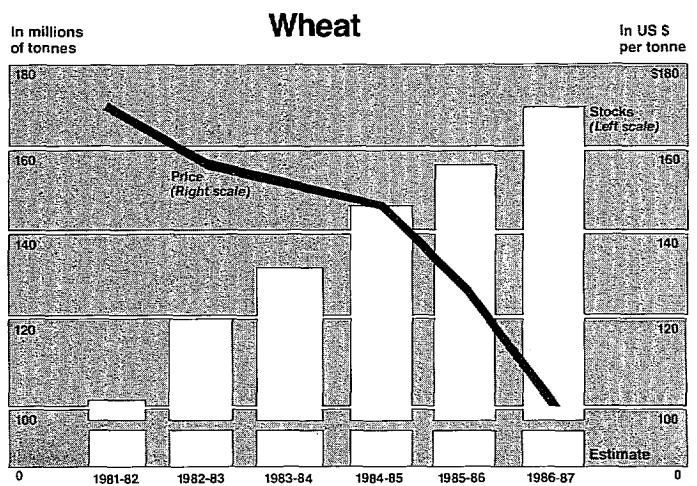
These competitive patterns of subsidized over-production and export have resulted in a global grain surplus and resultant price drop (see Diagram 2): a spiral of falling prices and decreasing income in both the United States and the European Community, as well as for other traditional grain exporters, such as Canada, Australia, Argentina and even Thailand. According to a December 1986 report from the International Monetary Fund, the sharp fall in the price of wheat and maize over the past two years has been crucial, since wheat accounts for 12 percent of Argentina's export earnings, 7 percent of Australia's, and 5 percent of Canada's, while maize accounts for 11 percent of Argentina's, 5 percent of Thailand's and 4 percent of Zimbabwe's.

Impact on Canadian exports

With regard to the global grain trade, Canada, like the United States, has traditionally attempted to maintain access to the EEC markets while cultivating other major grain buyers such as the Soviet Union and China. More recently, it has attempted to promote increased agricultural trade with such Third World countries as Algeria, Syria and Saudi Arabia, three states which have accepted subsidized grain sales under the US export enhancement program. While this program was intended to "combat" the EEC's subsidized grain, it has heavily undercut Canadian sales in each of these countries. This past December, the United States was able to sell 225,000 tons of durum wheat to Algeria at US\$111.50 a ton. This was 30 percent below the world market price and US\$30 a ton below Canadian break-even price.

At a time when the Canadian farming sector has been suffering from drought and uneven harvests, the undercutting of world grain prices has further reduced Canadian grain exports and farm income. Unlike the EEC, which has

Diagram 2



World surplus of wheat forces prices down

Source: Report from Secretary of Australian Department of Primary Industry (1986)

Our surpluses reduce their production

increased its subsidies and engaged the United States in "a head-to-head price war." Canada lacks the financial resources to pay the level of export subsidy which its wealthier allies are maintaining. As a result of this price-cutting competition, the Canadian government has been forced to provide its farmers with a Cdn\$1 billion special assistance support to cushion their drastic 30 percent drop in farming income during the second half of 1986.

Global "subsidy war"

The Reagan administration, in its attempt to maintain its domestic agricultural sector and its share of the world wheat export market, has further undercut the world price for wheat and other cereals by increasing US domestic and export subsidies. At the same time, the European Community continues to stagger under the burden of its CAP subsidies and its mounting grain surpluses. This practice of forcing other grain exporters to lower their prices accordingly or lose their market share has hurt a number of US and European allies. In addition to Canada, Australia and Thailand also earn a substantial portion of their foreign exchange from grain exports and as a result have been severely affected.

At Canada's request, the so-called "Big Five" grain exporters (the United States, the 12-nation EEC, Canada, Australia and Argentina) held a ministerial conference in British Columbia in June 1986, to discuss the sharp drop in the world price of grain and other problems caused by the escalating grain export subsidy competition. But the participating countries failed to reach an agreement on how to stem the grain price slide or the increasing trade protectionism of the industrial countries.

Then in December, the French Minister of Agriculture, François Guillaume, made a call for a concerted global management of grain supplies similar to those imposed by a cartel. He proposed an institutional approach, "a world market organization" for grains. But this French initiative runs contrary to the US "free market" position, which calls for a complete removal of EEC agricultural subsidies. Nor does it satisfy the calls for rapid and concerted reductions by all countries providing subsidies to promote sales of their exports, as expressed by the so-called "Group of 14" non-subsidizing agricultural exporting countries (including Canada) at the Uruguay round of GATT talks.

Gleaning hope

In February of this year, the "Big Five" ministers met again, this time in San Diego. But they still failed to reach an agreed program of action. Then in late March, trade ministers from twenty-three countries met in Taupo, New Zealand, in an attempt to reach a consensus on the need to negotiate a reform of global agricultural trading patterns. Though no details have been released, indications are that the American and the EEC positions may be edging closer, which would permit "fast-track" negotiations towards an agricultural agreement within GATT (agriculture as a trade issue has not been included in previous GATT rounds). It is almost certain that the search for a West-West consensus on agricultural trade will occupy a key place on the agenda at the next economic summit of the Group of Seven industrial countries, which is set for Venice this June.

In view of their competitive agricultural policies, Western exporting countries still have a substantial distance to cover in order to liberalize their agricultural exports. Barring a breakthrough in the near future, the United States and the EEC will continue to pay heavily for export subsidies which undercut each other and, in the bargain, undercut the agricultural export earnings of a number of their Western allies.

Africa's grain dependence

Most African governments view their economies as being dependencies of the world capitalist system. Partly this feeling is based on such factors as a common language with the former colonial power, past and ongoing education of national leaders and professionals in the ex-colonial power, and personal relationships. But it is also based upon the need of African states themselves for transfer of technology, professional training, investment capital, development assistance, and increasingly, of grain supplies. Such dependence for basic development needs increases the vulnerability of African countries to economic pressure in their political relationships with Western developed countries.

As a result of widespread grain production deficits, African countries have further increased the level of foreign penetration of their economies and of their dependence upon Western agricultural surpluses. Over the past decade, almost every African country has increased its volume of cereal imports (see Table, Column 1), according to the World Bank's *World Development Report 1986*, covering the 1974-84 period. And most have also had to increase their receipt of food aid in cereals (see Table, Column 2), though not all. A few African countries (e.g., Ivory Coast, Malawi and Rwanda) have managed to maintain food production ahead of their population growth (see Table, Column 3).

It is difficult to determine whether these increased cereal imports are simply a consequence of reduced domestic production or are due to pressure from Western grain exporting countries to accept subsidized sales as part of their efforts to maintain their world market shares. Quite possibly it is a combination of both. But growing reliance upon food imports and aid from Western grain exporters has increased the vulnerability of African countries to foreign pressures affecting not only their already weak international economic strength, but perhaps more importantly, their domestic economies and the political structures based upon them. It is evident, in the current African situation, that manipulating the relative prices of grain supplies (local production vs. subsidized, or even free, imports) would only further hurt their already crisis-ridden economies. Even so, threats to withhold cheap grain can be used as a weapon against an African government's taking a hostile attitude to a grain-producing state with a surplus. For example, the first food aid decision taken by the Reagan administration in 1981 was to terminate assistance to Mozambique, because of the Frelimo government's policies in the southern African region and at the United Nations which were considered hostile to US interests. Similarly in response to American objections to a number of Zimbabwe's positions on international issues, Prime Minister Robert Mugabe accused the United States

last July of using its foreign aid to coerce other countries "to toe its line."

Exporting ideology

While promoting increasingly costly subsidized grain sales to the Third World, the Reagan administration has concurrently placed significant diplomatic and economic pressure on African countries, via its foreign assistance, to encourage internal economic reform, particularly favoring private enterprise. The reforms sought include reducing the role of the public sector, encouraging greater development of the private agriculture, and greater emphasis on a

"free market" approach in their national economies.

Toward this policy objective, the US government implemented two new foreign assistance programs for Africa. According to US Assistant Secretary of State for African Affairs, Chester Crocker, who announced them in January 1985, the first was the "Economic Policy Reform" program, created "to provide additional support for those African countries which are in the process of implementing policy changes or have indicated a willingness and ability to establish a growth-oriented policy framework." A total of US\$500 million has been allocated to implement this program over a 5-year period. The other was "Food for Progress," a non-disaster program which "would use food aid

TABLE FOOD — SELECTED AFRICAN COUNTRIES*

Year	1,000 tonnes						Average production per capita 1982-84 *** (1974-76 = 100)
	Volume of imports**			Aid in cereals**			
	1974	1981	1984	1974/75	1980	1983/84	
Angola	149	244	375	0	25	69	81
Benin	8	93	65	9	12	6	97
Botswana	21	NA	59	5	11	32	61
Burkina Faso	99	71	89	28	51	57	94
Burundi	7	19	14	6	12	11	106
Cameroon	81	106	121	4	9	1	83
Gen. Af. Rep.	7	14	30	1	3	8	94
Chad	50	14	74	20	14	69	95
Congo	34	56	113	2	2	1	96
Ethiopia	118	207	506	54	228	172	100
Ghana	177	256	311	33	94	74	73
Guinea	63	134	186	49	34	43	93
Ivory Coast	172	619	545	4	0	0	110
Kenya	15	534	560	2	173	122	82
Lesotho	49	95	141	14	44	50	78
Liberia	42	111	109	3	26	47	91
Madagascar	114	268	172	7	26	74	89
Malawi	17	113	20	NIL	17	3	100
Mali	281	102	367	107	50	111	101
Mauritania	115	182	277	48	106	129	95
Mozambique	62	368	392	34	155	297	73
Niger	155	89	45	73	11	13	113
Nigeria	389	2,441	2,351	7	0	0	96
Rwanda	3	16	20	19	15	25	112
Senegal	341	458	698	27	153	151	66
Sierra Leone	72	58	61	10	12	16	95
Somalia	42	432	330	111	330	177	69
South Africa	127	476	3,240	NIL	NIL	NIL	83
Sudan	125	305	530	46	195	450	93
Tanzania	431	265	364	148	237	136	100
Togo	6	62	95	11	4	9	92
Uganda	37	37	20	0	57	10	98
Zaire	343	538	246	1	17	53	92
Zambia	93	295	236	5	84	76	74
Zimbabwe	56	21	334	0	18	76	69
TOTAL	3,901	9,099	13,096	888	2,225	2,568	90

*Countries of Subsaharan Africa with populations of more than 1,000,000.

**SOURCE: World Bank, ** *World Development Reports, 1983 and 1986.*

***SOURCE: World Bank, ** *World Development Report, 1986.*

Our surpluses reduce their production

to support African countries which have made commitments to reform in the key agricultural sector, stressing market approaches in agricultural pricing, marketing, and input supply and distribution."

Crocker went on to state that the Reagan administration was in "the process of identifying African countries" for these programs. As of last October, nine African countries were receiving support under the economic reform program and two countries under the "Food for Progress" initiative. Such US economic pressure utilizing non-disaster food aid can only further undercut US (and other Western) exporters' grain sales to African countries.

Emerging North-South consensus?

It is not surprising then that world agriculture, particularly the economic crisis in Africa, attracted considerable international attention in 1986. During the UN's Special Session on the Critical Economic Situation in Africa in May, member states of the Organization of African Unity

accepted the point that their economic problems (notably in agriculture) were partly of their own making, and they committed themselves to making the hard choices necessary to reform their economies "and get them moving in the right direction." They agreed to commit 20-25 percent of their public investments to agriculture. For their part, Western donor countries pledged to support the African effort toward adopting medium- and long-term strategies to develop private enterprise, though making no specific commitment to further amounts of aid.

At the same time, the World Bank's *World Development Report 1986* devoted a substantial portion to an analysis of "trade and pricing policies in world agriculture." Based on a world trade simulation model, the report argued that the "whole world would be better off if industrial countries were to stop protecting their farmers and liberalize agricultural trade." It concluded that a simultaneous liberalization of North and South agricultural policies (i.e., an end to agricultural surpluses in the industrial countries and the abolition of price controls in the developing countries) would increase food prices and encourage agricultural output within the Third World.

Though the African continent as a whole is unlikely to be self-sufficient in food production for the remainder of the 1980s, regional African grain producers should be able in good years to have exportable surpluses either to trade to a neighboring country or to utilize as part of a "triangular" sale in which stocks exported to a grain-deficient neighbor would be paid for by a Western donor country. These and other types of intra-continental cooperation should be encouraged among African states and supported by Western donors, though only as short-term measures.

Western exporting countries, as long as they continue to pursue domestic programs of agricultural support, are likely to produce in excess of the demands of their "traditional" export markets or of the capacity of importing countries to pay. This simultaneous surplus production and decreased demand will perpetuate a contradictory process. On the one hand, the world price of grains will continue to weaken, encouraging those African (and other Third World) countries which can pay (though probably only at subsidized prices) to continue to import food. While on the other, as they continue to produce grain surpluses, Western exporters will be forced to increase or to implement surplus disposal policies, if only to reduce their storage costs.

Such policies will discourage efforts to improve agricultural production by those African countries which can afford to pay for cheaper grain imports than they can produce themselves. Other African countries which lack the resources to develop their own agricultural sector will have to continue to accept food aid with donor-imposed conditions. In either case, African governments will be faced with the prospect of Western grain imports undercutting any financial incentives, such as higher prices to local farmers, for increasing their own domestic production. □



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Bilateral Relations

USA

Freer Trade Negotiations

While negotiations continued between Canada and the US on a free trade agreement, Donald Macdonald, whose royal commission had recommended the talks, said that US trade representative Clayton Yeutter and chief negotiator Peter Murphy were being "maladroit in dealing with Canadian concerns" on cultural sovereignty (See "International Canada" for December 1986 and January 1987). The February 4 *Globe and Mail* reported that Mr. Macdonald had told a Washington free trade conference that "an agreement which fails to acknowledge the legitimacy of Canadian concerns would simply be a non-starter, including for apostles of free trade like me." He added that US officials had antagonized "an important and articulate group who need not have been provoked . . . What Canada calls cultural sovereignty is difficult for the US to discuss. Americans haven't known cultural domination."

Prime Minister Brian Mulroney echoed Mr. Macdonald's thoughts when he called Mr. Yeutter's comments on Canadian culture evidence of the representative's "stunning ignorance of Canada." Mr. Yeutter had said in Washington that he was prepared "to have America's culture on the table and take the risk of having it damaged by Canadian influence after a free trade agreement." Lynn McDonald (NDP, Broadview — Greenwood) had asked in the House whether the Prime Minister would "tell the Americans that 'Anne of Green Gables' is not a threat to American culture . . . Will he tell them that even if we beamed 'Beachcombers' reruns to them non-stop, that American culture would not be at risk?" Liberal trade critic Lloyd Axworthy had called on the Prime Minister to register a strong diplomatic protest with US President Ronald Reagan, reaffirming Ottawa's contention that Canadian cultural sovereignty was not negotiable (*Toronto Star*, February 5).

Canada's ambassador to Washington, Allan Gottlieb, told a free trade conference in Los Angeles on February 4 that the US was a major user of subsidies and should stop pointing a finger at Canada for its providing subsidies to domestic industries. As an example, Mr. Gottlieb said, "[US] government support to your grain and oilseed farmers is some two to four times greater than the support given to Canadian farmers, depending on the commodity . . . You are used to being number one and that is understandable. When you slip below that position, you react in a very human way. You look elsewhere for the explanation. If

you are no longer competitive, then perhaps in the mind of some it can only be because someone is not playing fair . . . [But] sometimes the playing field is level after all . . . We are not even a small part of your problem, but we are a very large part of the solution" (*Globe and Mail*, February 5).

A senior Reagan aide, Marlin Fitzwater, said on February 5, in response to the Prime Minister's remarks, that the Reagan administration was "sensitive to and aware of [Mr. Mulroney's] concerns about cultural sovereignty in Canada . . . If we can't work out some kind of harmonious and productive trading agreement with Canada, we're going to have a very tough time dealing with protectionism over the long haul anywhere else in the world" (*Ottawa Citizen*, February 6). Mr. Yeutter, however, said in Washington on February 10, "If there are economic constraints encompassed in the definition of culture in Canada, then obviously that is an issue we would wish to discuss . . . [But] every time you talk about that kind of issue in Canada it gets 12-inch headlines. I hesitate even commenting." Mr. Yeutter said the Canadian government had to define what it meant by "cultural sovereignty . . . I assume the government of Canada will clarify its position in those kinds of issues at the negotiating table" (*Globe and Mail*, February 11).

On the same day Mr. Yeutter and US Treasury Secretary James Baker warned the US Congress against new trade legislation that would force US President Ronald Reagan to retaliate against Canada and other trading partners if they were forced to erect barriers to American goods. Describing the free trade initiative as "our single most important international endeavor for 1987," the submission from the two men expressed the administration's willingness to work with Congress in putting together a new trade bill while warning against certain congressional trade proposals that could lead to increased worldwide protectionism (*Toronto Star*, February 11).

Negotiations resumed in Washington on February 19. Canada's chief negotiator Simon Reisman on the first day of talks defended the Canadian government's proposal to license films and videos entering Canada from the US, calling it a cultural rather than an economic measure. "If we get a free trade arrangement . . . Canada will need a great deal of freedom and a great deal of flexibility when it comes to looking after our cultural needs and our cultural interests." Mr. Reisman also said he remained optimistic about

reaching an agreement by October 1987 because there was "good will" on the part of US negotiators to understand Canada's need for certain safeguards (*Globe and Mail*, February 20).

After the two days of the eighth round of talks were completed, Mr. Reisman said that he had enlisted the support of chief US negotiator Peter Murphy in trying to reverse a growing US perception of Canada as one of the chief culprits responsible for a record high US trade deficit. "It doesn't interfere with the talks but it interferes with the whole environment on Capitol Hill and in the US press if they regard us as a source of their large imbalance when we are not a problem. We are going to make a very serious effort to correct that misconception" (*Ottawa Citizen*, February 21).

On February 26 Liberal House Leader Herb Gray and NDP leader Ed Broadbent both called on the government to make a statement saying exactly what its objectives were in the free trade talks, and how far the talks had progressed to date. In the light of published reports that suggested a removal of all tariffs by 1997, Mr. Broadbent said that "we have been told time after time, for example, that the auto pact and cultural industries have not been on the negotiating table. If they are now talking about eliminating tariffs across the board, that takes the guts out of the auto pact and it does the same to those of us who are concerned about the preservation of cultural industries" (*Globe and Mail*, February 27). External Affairs Minister Joe Clark announced in the House on March 2 that a debate on free trade would take place later in the month, following Prime Minister Mulroney's March 11 meeting on free trade with the provincial premiers.

After the March 11 meeting, the premiers' fourth with the Prime Minister, International Trade Minister Pat Carney and Simon Reisman on free trade, the *Ottawa Citizen* reported that the premiers had been promised that the issue of ratification of a free trade agreement would be discussed in June. The Prime Minister said that "[Mr. Reisman] knows what is needed to bring back an agreement that the first ministers will review as good for the country, one that is sensitive to regional concerns and aspirations, to the needs and opportunities for all parts of the country" (*Ottawa Citizen*, March 12).

Later that week, the Prime Minister, addressing an audience in Longueuil, Quebec, said that a free trade deal with the US would have to include a new method of dealing with countervailing duties and anti-dumping provisions, would have to gradually reduce and eliminate all tariffs, and would have to deal with all non-tariff barriers. "Our desires must be respected and accommodated," he said. "Otherwise there will be no deal." Mr. Mulroney added, "Any American suggestion that we abandon our commitment to our regional development would be completely unacceptable to this country, given that our regional disparities are so pronounced" (*Globe and Mail*, March 13).

During a 1-day debate on free trade in the House of Commons, Prime Minister Mulroney promised that Parliament would see and have a chance to debate any trade agreement with the US before the government signed it. Ms Carney told the House that auto trade, agriculture, government preference for local or national suppliers, foreign investment and tariffs were all on the negotiating table

in the free trade talks. The Minister added that the government wanted free trade in services such as engineering and banking, and in intellectual property, in order to end preferred status in the US for products carrying US patents. Opposition leader John Turner said during the debate that the Prime Minister had given no details on what was negotiable in the talks, and NDP leader Ed Broadbent said that the Prime Minister had offered only "rhetoric, totally inappropriate to the seriousness of this occasion." The government motion in support of the free trade initiative passed 160-58 in a March 17 vote.

A European perspective was thrown on the free trade issue by the European Communities' (EC) ambassador to Canada. Dietrich Hammer said on March 19 that Canada's independence could be at risk in a free trade agreement with the US. "The smaller partner will be forced to take into consideration what the larger is doing," he said. Mr. Hammer also expressed concern that a Canada-US agreement could lead to decreased interest by both countries in the international trading arrangements being negotiated under the General Agreement on Tariffs and Trade (GATT). He feared that removal of US support for GATT could mean its being replaced by a network of bilateral agreements that would likely be less favorable to the smaller partner involved. The ambassador also expressed concern for Canada's cultural identity, pointing out that in the EC countries, cultural roots were centuries old and populations in Britain, Germany, Italy and France all equally large, and so cultures had been preserved (*Ottawa Citizen*, March 20).

Finally, at the end of March the Canadian and Quebec governments awarded to General Motors of Canada Ltd. an interest-free loan of \$220 million in return for the company's guarantee that its Ste. Therese, Quebec, plant would remain in operation for at least seven years. The 30-year loan was made despite warnings from the US that any government assistance could be construed as an unfair subsidy subject to countervailing action under American trade laws. An April 1 report in the *New York Times* said that the Canadian action would be scrutinized in Washington in light of the mounting surpluses that Canada had had in recent years under the auto pact. The report said that Canada shipped 85 per cent of the 1.9 million vehicles it produced annually to the US.

Acid Rain

The issue of acid rain continued to be discussed during this 2-month period (See "International Canada" for December 1986 and January 1987). On February 11 US Secretary of the Interior Donald Hodel described Canada's campaign against acid rain as "their efforts to make it more costly and difficult for us to generate electricity in the US — and thereby having the effect, whether it was their intention or not, of increasing the potential market for Canadian electricity in the US" (*Globe and Mail*, February 12). Environment Minister Tom McMillan responded to Mr. Hodel's comments by calling the conspiracy theory "way off base." Mr. McMillan said that US cabinet members often stated conflicting public opinions, and "I don't think we should be unduly concerned when one of them says something that's colossally stupid" (*Ottawa Citizen*, February 13). In a letter to Mr. Hodel on February 12, Canada's ambassador to the

US Allan Gottlieb said that he rejected the conspiracy theory "out of hand . . . I am amazed that these views could be espoused by a cabinet secretary in President Reagan's administration" (*Globe and Mail*, February 14). Mr. Hodel replied to Mr. Gottlieb in a letter stating, "Whether or not it is the intention of the Canadian government to persuade the US to adopt a high-cost emissions control program for the purpose of raising US domestic costs so that we would buy more energy, and at higher prices, from Canada — it is the effect of such a program" (*Globe and Mail*, February 19).

The *Ottawa Citizen* reported on February 20 that a report by the US Energy Department, to be submitted to Mr. Reagan before his scheduled April visit to Ottawa, listed US\$6 billion worth of clean-coal projects across the country. Department spokesman Bob Porter said on February 19 that the report was not meant as a claim that Mr. Reagan was fulfilling his promise to Prime Minister Brian Mulroney to seek US\$5 billion for a 5-year program of clean-coal technology development to reduce acid rain. Rather, he said, "our purpose was to say we are doing a lot more than what is typically portrayed when people talk about clean coal."

On February 23 the US Supreme Court was petitioned by the governments of Ontario and eight northeastern states, four environmental groups and some Americans who owned cottage property in Ontario to overturn a US Court of Appeals ruling against forcing acid rain curbs on the US Environmental Protection Agency (EPA). The Court of Appeals' ruling had struck down a US District Court ruling that said the EPA had to order Midwest states to reduce emissions of sulphur dioxide and nitrogen oxide from power plants and other sources (See "International Canada for October and November 1986). At issue was whether Section 115 of the US Clean Air Act, meant to stop US pollution of foreign countries, should have been triggered to protect Canada in 1981, when the administrator of the EPA confirmed that US emissions were causing acid rain in Canada and that state plans should be drawn up to stop it. The EPA never took any further action and the petitioners had been trying since 1984 to trigger the action. The Ontario petition said, "These findings are as valid today as they were in 1981" (*Ottawa Citizen*, February 24).

Ontario Environment Minister James Bradley told the Legislature's select committee on the environment that Mr. Hodel's conspiracy charges proved that the US administration had no intention of cooperating with Canada on acid rain reduction. "I wish the Prime Minister good luck, because Mr. Hodel is simply one of several one-watt bulbs in an administration that appears to be lacking in environmental enlightenment," he said, adding that Canada should turn its attention to the US public and congressmen, who had "a more balanced view of the world — one which respects the environment which supports all life" (*Globe and Mail*, February 25).

External Affairs Minister Joe Clark went to Washington in early March for his quarterly meeting with US Secretary of State George Shultz. After the meeting Mr. Clark said that he had received no indication that the US was prepared to move beyond its 2-year-old agreement to deal with acid rain and finally set targets for reductions. However, Mr. Clark added, "There is no question the matter

is under serious, detailed consideration at the highest levels of the US government" (*Ottawa Citizen*, March 11).

On March 18 Mr. Reagan announced that he would seek US\$2.5 billion from Congress over the following five years to develop clean coal technology. Prime Minister Mulroney called the announcement an indication of a moral victory for the Canadian government and a sign of "very significant movement" on the issue in Washington. Environment Minister Tom McMillan said that while "acid rain is back on the rails . . . we haven't found the Holy Grail yet . . . We do not have, signed on the dotted line, the binding commitment we are seeking from the Americans to slash acid rain causing emissions on the American side of the border." In Washington, the chairman of a US Congress environmental subcommittee accused the Prime Minister of "selling out the Canadian people and the Canadian environment" by accepting Mr. Reagan's pledge. Democrat Henry Waxman said, "I am surprised that the second time around the Prime Minister would not see through the President's hocus pocus . . . This is a betrayal of our common environment." Liberal environment critic Charles Caccia criticized the Canadian government for welcoming an announcement that promised "no deadlines, no programs, no percentage cuts [in acid rain causing emissions]" (*Ottawa Citizen*, March 19).

Mr. Reagan said in response to criticisms of his announcement that his administration would likely be taking further steps against acid rain. The clean coal program was just a beginning, he said. "We've made some progress in learning things that can be done and we were ready to make this move. There are others probably yet to come. We're still investigating this," he added (*Ottawa Citizen*, March 20).

In Quebec City on March 23 the Prime Minister told a North American Wildlife and Natural Resources Conference that Canadians viewed the US response to the acid rain issue "as a test of our relationship," and urged the US Congress to join the fight against acid rain. The Prime Minister asked the 1,000 delegates, mostly from the US, to "take a message back to Congress" that the day they joined the acid rain fight "will be a day of celebration on both sides of the border." Michael Perley of the Canadian Coalition on Acid Rain said that the Prime Minister had given "a very clear message to a very senior audience of wildlife managers from all over the US that Congress is the name of the game." Maitland Sharpe of the Izaak Walton League, one of the oldest conservation groups in the US, said, "We certainly heard . . . a tremendous new emphasis on the role of Congress and that's a breakthrough in my mind." Jay Hair of the US-based National Wildlife Federation said that Canadians should reserve judgment on their government's position until Mr. Mulroney had extracted from Mr. Reagan an actual air quality agreement. After his speech, the Prime Minister said that he did not know whether he would seek from Mr. Reagan at their April meeting a timetable for reducing acid emissions, but added "We started from nothing [in 1984] . . . [The summit] will move things along and the matter will ultimately be resolved" (*Ottawa Citizen*, March 24).

Space Station

Officials from Canada, Japan and Western Europe were in Washington on February 11 for talks with representatives of the US State Department and other government and space agency officials. They were seeking formal assurances from the US that a proposed space station would not be used for aggressive military purposes. A member of the Canadian delegation said, "We hope the Defense Department will define what it means more clearly . . . All we know is that they have said all along that they must accommodate the Department of Defense for research purposes and the department has said they won't put weapons on the space station." Canada's participation in the project had been agreed to a year earlier by Prime Minister Brian Mulroney during a visit to Washington. It would be the design and construction of a space station maintenance and servicing center at a cost of approximately \$800 million over a decade (*Ottawa Citizen*, February 12).

The *New York Times* reported on February 13 that the potential partners in the station had concluded two days of talks by agreeing to resume negotiations at an early date with a view to developing a facility that would be used for "peaceful purposes," thus establishing the basis for long-term cooperative ventures in space. A joint statement reaffirmed "their intention to cooperate on the basis of genuine partnership" in the project, the report said.

On February 13 External Affairs Minister Joe Clark said in the House that Canada might reconsider its participation in the space station if negotiations failed to ease concerns about potential military activity aboard the station. Mr. Clark was "not satisfied," he said, with US explanations on the uses of the station. Ram Jakhu, a senior researcher with the Institute of Air and Space Law at McGill University, said that it was unclear in law when a system became offensive. "There are those who say a nuclear bomb is a peaceful weapon," he said, adding that the US could mount a variety of weapons systems on the space station and still be in compliance with international law. They would seem to be denied only the right to mount atomic weapons or other "instruments of mass destruction" on it, he said (*Globe and Mail*, February 14).

In mid-March private talks were held in Ottawa to discuss the space station's use. A senior Canadian government official said the document outlining use approved "national security" purposes. "It's a vague term and you just don't take it lightly . . . I don't think any of us would sign on if it's left as vague and open-ended as it is now." Other issues on the agenda for the talks included legal questions such as which country's criminal law would apply in space, measures to control the transfer of technology, and the liabilities and cross-liabilities of the individual partners in the project should there be any accidents in space. Canada would compare its notes with European and Japanese partners, who had already met separately with the US officials, the Canadian source said (*Globe and Mail*, March 16).

Niagara River Agreement

On February 4 Canada and the US signed an agreement to cut the flow of toxic chemicals into the Niagara River by at least half, and to consider digging up toxic waste dumps. Environment Minister Tom McMillan called the agreement "a statement of political will" to tackle trans-boundary pollution, and Liberal environment critic Charles Caccia called it "a step in the right direction." Pamela Millar of Pollution Probe said, "We have a paper promise. What we need is a demonstration project" to dig up a toxic waste dump (*Globe and Mail*, February 5).

International Joint Commission Report

On March 18 the International Joint Commission (IJC) released its Third Biennial Report on the 1978 Great Lakes Water Quality Agreement. The report said in essence that Canada and the US had done a great deal to solve water quality problems in the Great Lakes, but the problems were getting worse, and both countries would have to increase their efforts simply to keep pace with pollution. The report called the problems more severe and complicated than either country realized when the treaties of 1972 and 1978 had been negotiated. "The sources [of pollution] are more elusive to identify and document; the effects more scattered and invisible," it said. Among the recommendations contained in the report were:

- That governments take steps to clarify the 1978 agreement and to strengthen its provisions;
- That governments take steps to ensure full compliance with existing regulations on harbor and channel dredging and develop new programs for research and control of contaminated sediments;
- That governments start a series of programs to keep track of the quality of groundwater;
- Major programs in both countries to encourage consumers to pay more attention to the threats of toxic chemicals and to reduce their use of them;
- That national governments increase support for efforts by municipal governments and the private sector to reduce the use of toxic materials and control the disposal of those that were used;
- Improved monitoring of the Great Lakes and better coordination of pollution-control programs and regulations between the two countries (*Ottawa Citizen*, March 19).

A March 19 government of Canada communiqué stated that "the actual review of the Great Lakes Water Quality Agreement will entail an internal assessment of the IJC's recommendations as well as bilateral discussions with the United States on our respective performances under the terms of the agreement." The government would issue an interim response to the IJC, the communiqué said, "once we have had an opportunity to examine in detail the Third Biennial Report."

Australia and New Zealand

Carney Visit

International Trade Minister Pat Carney visited New Zealand and Australia from March 22 to 28. At Lake Taupo, New Zealand, the Minister attended the fifth in a series of meetings of international trade ministers from twenty-two developed and developing countries, where progress in the Uruguay Round of GATT talks was discussed. In Wellington, Ms Carney continued talks on the subject with New Zealand's Minister of Overseas Trade and Marketing, Mike Moore. She also met with Prime Minister David Lange and the Minister of Agriculture and Fisheries, Colin Moyle.

In Canberra, Ms Carney met with Australian Prime Minister Bob Hawke, as well as with Minister of Trade John Dawkins and Minister of Primary Industry John Kerin, to discuss Canada-Australia and multilateral trade issues. In a speech to the National Press Club in Canberra, Ms Carney stressed Canada's concerns in the international trading environment, and announced that the third ministerial meeting of the Cairns Group of Fair Traders in Agriculture would be held in Canada in May 1987.

On the final day of her visit, the Minister raised the Canadian flag at Brisbane, site of Expo '88, an exposition on the theme of technology and leisure, in which she promised Canada would participate (International Trade communiqués, March 19, 25 and 27).

China

MacDonald Visit

During a trip to the Far East, Communications Minister Flora MacDonald met with China's Vice-Premier Yao Yilin in Beijing on February 24. "He was very reassuring on the openness of China. . . . It was evident that this relationship [between China and foreign countries] should continue. . . . He went out of his way to convey the continuity of the policy," said Ms MacDonald after the meeting. In addition, the Minister signed an agreement for co-production of films between Canada and China, and met with China's electronics industry minister to discuss how Canada and China could enter into joint ventures in electronics (*Globe and Mail*, February 25).

Sauvé and Landry Visit

Governor General Jeanne Sauvé and External Relations Minister Monique Landry arrived in Beijing on March 16 at the beginning of a 10-day visit to China. As the first Canadian Governor General to visit China, Mme Sauvé was greeted by the Chinese with a welcoming ceremony identical to the one that greeted Her Majesty Queen Elizabeth in October 1986. A profile of the Governor General that appeared in the *People's Daily* made no attempt to explain her constitutional role, the *Globe and Mail* reported on March 18.

Mme Sauvé met for an hour with Chinese President Li Xiannian, who assured her, the Governor General said, that the policy of "more openness would continue." Later

she met with Vice-Premier Li Peng and five members of the cabinet, and was guest of honor at a state dinner in the Great Hall of the People. The *Toronto Star* reported on March 18 that the Governor General had smoothed over a 1986 "snub" by Prime Minister Brian Mulroney of Mr. Li, who had tried three times to see the Prime Minister while he was visiting China. Mr. Li was considered the leading candidate of China's five vice-premiers to become the next premier, the report said.

On March 19 Mme Sauvé met with Chinese leader Deng Xiaoping, who told her that political reform — the loosening of the control middle-level party officials held over the economy — would be returned to the Communist party's agenda in China. The statement was seen as the strongest since the fall of reformist party chief Hu Yaobang in January 1987, the report said.

External Relations Minister Monique Landry had her own agenda in China. On March 19 the Minister signed four agreements providing grants of more than \$60 million for Chinese education and development programs (*Ottawa Citizen*, March 19). The Canadian embassy in Beijing said that the grants involved work/study awards for Chinese personnel in Canada, a program to promote municipal management skills, a Canada-China language center, and a university management program. The Minister also announced a 7-year program costing \$22 million that would provide funds for links between universities, colleges and teaching hospitals in Canada and China, the report said.

Additional programs announced by the Minister during her visit included support for English- and French-language training for Chinese development workers, technical assistance to improve China's telecommunications system and port installations, help for a regional airline, and further studies of the Three Gorges hydroelectric proposal. Total development assistance announced by Ms Landry was \$85 million, the *Globe and Mail* reported on March 27. The Minister said of the aid program, "I think we have put a lot of emphasis on the human aspect, but I think it does correspond to the needs of the Chinese." The aid was committed on the basis of a 1986 promise by Prime Minister Brian Mulroney that Canada would double its aid to China in the five fiscal years beginning in April 1987, the *Globe and Mail* reported on March 20.

The Governor General and the Minister left China on March 26 for a 4-day visit to Thailand.

Colombia

Canadian Abducted

On March 11 the *Globe and Mail* reported that Canadian engineer Richard Paulson and a fellow employee of Occidental Petroleum had been abducted by gunmen in the Colombian town of Arauca along the Venezuelan border on March 8. The report said that the gunmen were believed to have been members of the National Liberation

Army (ELN), a leftist guerrilla group that had attacked Occidental pipelines repeatedly, according to a company source.

The *Ottawa Citizen* reported on March 12 that Mr. Paulson's colleague had been released, and negotiations had begun for the release of Mr. Paulson. The Canadian consul in Bogota, Brian Casey, said, "We're settling down for a fairly long drawn-out wait . . . it may be several months before anything happens." External Affairs spokesman Rejeanne Dodd said that Occidental Petroleum was dealing directly with the kidnappers and that ransom had apparently been the motive.

Ethiopia

Ambassador's Report

Canada's ambassador to Ethiopia, David MacDonald (See "International Canada" for October and November 1986), said in an interview at the end of March that dramatic improvements had been made in the lives of Ethiopians in recent months. For the first time in twenty years, the ambassador said, the increase in food production had surpassed population growth by more than 3 percent. But he added that wars such as the one that was raging in Eritrea province in northern Ethiopia drained energies that could be used to develop land and water systems, and that access to safe drinking water and reforestation were the two major challenges facing the Ethiopian people. Mr. MacDonald stressed the hard-working nature of Ethiopians, saying that they were incredibly determined to get their country back on its feet (*Halifax Chronicle-Herald*, April 1).

Finland

Embassy Closure

Ottawa's December announcement that Canada's embassy in Helsinki, Finland, would be closed as part of cost reductions brought an angry response from the Finnish people, according to a March 8 report in the *Toronto Star*. More than thirty articles had been published decrying the decision, the report said. One editorial in Helsinki's *Sosiaalidemokraatti* referred to the announcement as "incomprehensible . . . weird from a political standpoint," while an article in Helsinki's *Sanomat* said that the "action of the Canadian government is flabbergasting. Would one of the important CSCE [Conference on Security and Cooperation in Europe] countries really not have a few million dollars per year for keeping a mission in the capital of another CSCE country?" Domestic pressure to keep the mission open came from Canadians of Finnish descent and from the Finnish delegation in Ottawa, which had expressed "concern and regrets" to External Affairs Minister Joe Clark at the decision and asked that he reconsider it (*Winnipeg Free Press*, March 6).

On March 24 Mr. Clark announced that the embassy in Helsinki would remain open. The Minister said that he would attempt to save the \$1.2 million per year in other ways, but stressed that the savings would not come from cuts of other diplomatic posts (*Globe and Mail*, March 25). A report in the March 24 *Globe and Mail* quoted a government source as saying that bureaucrats at External Affairs who had not realized the importance of a Canadian presence in Helsinki had been to blame for the original decision. "An outpouring of emotion from Canadians of Finnish origin and the people of Finland" had also been a factor in the reversal of the decision, the report said.

France

Fishing Dispute

Controversy over French fishing rights in the Gulf of the St. Lawrence continued during this 2-month period (See "International Canada" for December 1986 and January 1987). While metropolitan France and Canada argued about alleged French overfishing, residents of the French islands of St. Pierre and Miquelon were concerned that Canadians were receiving the wrong impression of their position in the dispute (*Halifax Chronicle-Herald*, February 2). Louis Hardy, president of the St. Pierre board of trade, said the islands were not a threat to Canadian fisheries because the quota increase they were seeking was only a drop in the bucket for Canada but a matter of survival for the islands' economy. "What we are asking for is a quota of 7,500 tonnes [of cod] in the gulf. That's worth about \$12 million. We buy \$40 million worth of Canadian products, but Canada buys nothing from us besides a few tourists who buy a few bottles from us. It's a one-way street," he said. If the interim agreement between France and Canada stood, he added, and St. Pierre-Miquelon fishermen were allowed only 3,600 tonnes a year in the gulf, it would be an economic disaster for the islands.

On February 3 Newfoundland premier Brian Peckford called for the recalling of Canada's ambassador to France, the closing of Canadian ports to French fishing vessels, and the reviewing of Canada's role in the francophone summit scheduled for September 1987. Mr. Peckford said that the central issue was not one of fish, but of boundaries. The Canadian government was insisting that the French were entitled to only a 12-mile zone around the islands of St. Pierre and Miquelon, while the French maintained that a 200-mile limit was their right (*Ottawa Citizen*, February 3). On the same day Prime Minister Brian Mulroney told NDP leader Ed Broadbent in the House that Canada had not "given away one single cod fish" to France beyond what it was entitled to in 1977. The Prime Minister responded to criticism of the Canada-France agreement by MP William Rompkey (Lib, Grand Falls — White Bay — Labrador) by saying that the agreement had been designed to correct "an unqualified and permanent right given to France to fish in the Canadian zone" by the Liberals in 1972. Mr. Mulroney referred to Premier Peckford's suggestions as

rhetoric and slogans, and accused the Liberals of advocating "a total rupture of our relationship with France" (*Globe and Mail*, February 4).

The following day Deputy Prime Minister Don Mazankowski said that it was not out of the question to go back to the negotiating table with France. Ed Broadbent had quoted a report in the House which said that French premier Jacques Chirac had indicated new negotiations might be welcomed; however, Gilbert Guillaume, one of France's negotiators, said that Mr. Chirac meant that France wanted more fish from Canada immediately. "We must arrive at an agreement on quotas for 1987 on a higher level than offered and arrive at a mutual settlement for the period 1988-91," he said in Paris. Meanwhile, Transport Minister John Crosbie, whom the Prime Minister had asked to oversee future negotiations on the fishing dispute, assured an audience in St. John's that "there will be no agreement with France that is not approved by myself and my colleagues in the Newfoundland caucus. Any agreement that does not meet our test of what is in the best interest of the province of Newfoundland will not be entered into and if entered into will be entered into over our dead bodies," the Minister said (*Ottawa Citizen*, February 7).

While eight provincial premiers met in Toronto and unanimously criticized the government's signing of the agreement with France as "inconsistent with the basic principles of federal-provincial relations," a different perspective was thrown on the issue by an article in the February 9 *Ottawa Citizen* out of St. Malo, France. One fisherman expressed the thought that "Cartier found Canada. We Malouins have fished there for centuries. Now you say we are killing all the fish. Us? It's Canada! It's you who are trying to kill us!" And Fernand Leborgne, president of the fishing company Comapêche, estimated that he would be forced to sell two trawlers and lay off hundreds of fishermen if the new treaty reducing France's quota from 26,000 to 6,400 tonnes were not renegotiated. Mr. Leborgne cited French studies which indicated that up to 50,000 tonnes of cod could be taken from the region every year without damaging stocks. "We are not lunatics," he said. "Those fish are our livelihood too."

The *Globe and Mail* reported on February 10 that, on February 9, while Prime Minister Brian Mulroney ignored Opposition demands that he admit the agreement had been a mistake, Transport Minister John Crosbie said outside the House that the federal officials who had signed the agreement had "made a big mistake" that would not be repeated. He refused to reveal who had been responsible for the agreement, calling it "an internal matter," and added that the premiers' only legitimate complaint was that "the proper consultation and involvement was not continued. That's my beef. I and the premiers agree. The Government of Canada agrees with them." The Minister also rejected the possibility of Canada's reopening talks with the French on the issue, saying that the government could only reopen talks if the French agreed.

On February 10 in the House the Prime Minister said that the government admitted its negotiations with France had been "deficient" and federal officials were arranging a meeting for the following week between Mr. Siddon and provincial fisheries ministers from Quebec and the four

Atlantic provinces. Outside the House Mr. Siddon said that the ministers would review the terms of the cod agreement to ensure "it will properly and totally reflect the interests of the fishermen and the fishing industry of Atlantic Canada" (*Globe and Mail*, February 11).

In St. Pierre on February 11 management of the only fish-freezing plant on the island refused to accept the full cargo of a French factory trawler, the "Grande Hermine." The trawler had docked on February 9 with a cargo of 300 tonnes of cod fillets which it wished to store, but the plant management would accept only 100 tonnes. Jean-Paul Andrieux, Canada's honorary consul to St. Pierre-Miquelon, said that the French interpretation of the agreement (the French Fisheries Department had stated that France intended to take four times the amount of cod specified in the agreement) permitted metropolitan French and St. Pierre-Miquelon fishermen to take a total of 26,000 tonnes of unprocessed cod in 1987 in the disputed waters. Of that total, he said, trawlers from metropolitan France were permitted 12,000 tonnes, or 1,500 tonnes for each of eight trawlers. Because three tonnes of cod were required to produce one tonne of processed cod fillets, he said, the "Grande Hermine" had already filled most of its 1987 quota when it docked at St. Pierre (*Globe and Mail*, February 12).

The *Halifax Chronicle-Herald* reported on February 12 that the Department of Fisheries and Oceans had intercepted a St. Pierre trawler suspected of overfishing and taken it into a Newfoundland port. "La Goelette" was to undergo what Ministry officials called a "minor and routine" inspection, about ten of which involving foreign vessels were probably going on at the same time. The ship was intercepted off St. Pierre-Miquelon in an area to which the French had been granted rights under the recently signed agreement. A Fisheries and Oceans communiqué of February 13 said that Captain Jean Kello of "La Goelette" had pleaded guilty and been fined \$1,500 for taking more than the allowed quota of haddock. The captain was also required to forfeit the 6,200 kg of haddock, worth approximately \$5,000.

Mr. Crosbie told the House on February 12 that the Canadian government had sent a letter to the government of France asking the French to stop fishing in the disputed waters off the south coast of Newfoundland. If they overfished, "port privileges will be withdrawn," the Minister said. Newfoundland MP Brian Tobin (Lib, Humber — Port au Port — St. Barbe) said that the French did not need to use Canadian ports to refuel, and that Canadian officials should stop the overfishing by boarding and inspecting suspect French trawlers. "Quite frankly I think it's about time for Canada to start standing up and behaving like a mature nation in 1987 instead of behaving like some kind of colonial place that is afraid to stand up for its rights. I think it's an immature assumption for the Canadian government to make that we can't do anything because we may get into a war or something," Mr. Tobin said. In a letter published in the *Globe and Mail* on February 14, NDP leader Ed Broadbent said that overfishing could be reduced "by means far short of violence, by traditional diplomatic moves, denying French fishing boats access to our ports, reassessment of

existing bilateral agreements and bringing home our ambassador for consultation."

On February 16 and 17 a 15-member delegation from St. Pierre met in St. John's with representatives of the Newfoundland fishing industry. The St. Pierre delegation was seeking a greater allocation of fish for its expanding trawler fleet, but did not receive it. Tom Best, chairman of the Newfoundland Inshore Fisheries Association, said after the meeting that both sides had come away with an increased understanding of each other's problems, and that follow-up meetings would be held on St. Pierre (*St. John's Evening Telegram*, February 18).

Fisheries Minister Tom Siddon and Transport Minister John Crosbie announced on March 7 that French fisheries in the disputed zone were closed, and that Canadian ports in the region were closed to French vessels "because the French have exceeded the 6,400 tonnes cod quota established for them in 3PS under Canadian law. We cannot enforce this closure throughout the area, because a large part of it is the disputed zone claimed by France. However, the major area of concern, Burgeo Bank, is in undisputed Canadian waters and is closed to the French fleet." Mr. Siddon stressed that any French fishing in Burgeo Bank would result in arrests. The Canadian government's conclusion regarding French overfishing was reached on the basis of the number of French vessels which had been fishing in the region and the amount of time they had been fishing. While efforts had been made to obtain figures from the government of France on the total level of French catches, the French had not replied (Government of Canada communiqué, March 17). The French government responded to the announcement by saying it deplored the unprecedented action, calling it an unjustified contradiction of previous commitments that was in violation of international law. The French government statement urged Canada to reexamine its position and warned that the closing of Canadian ports and the denial of French fishing rights in the disputed area would not facilitate resolution of the broader dispute over international boundaries surrounding St. Pierre-Miquelon. Canada's assistant deputy minister of international relations, Victor Rabinovitch, said, "This is a clear signal, not just to the French but to the entire world fishing community, that we are really concerned about the overfishing." Mr. Rabinovitch added that the Canadian government was still committed to negotiation of the boundary dispute (*Ottawa Citizen*, March 18).

On March 24 negotiations began in Ottawa between Canada and France. At the end of the 2-day session, Gilbert Guillaume of the French foreign ministry said that Canadian fishermen had not even taken their due catch in the region off Newfoundland where the French wanted increased quotas. However, a senior Canadian official said this was because of changes in fish migration. "The fish have not migrated in the usual patterns," he said. "The exact reason is not clear, but Canada does not have any cod [in that region] to spare" (*Globe and Mail*, March 27).

New Ambassador to Canada

The French foreign ministry announced on February 11 that career diplomat Philippe Husson would replace

Jean-Pierre Cabouat as France's ambassador to Canada. Mr. Husson had served in Ottawa between 1971 and 1974, as well as in Budapest, Moscow, Washington, the UN, and, most recently, Helsinki (*Ottawa Citizen*, February 13).

India and Bangladesh

Clark Visit

During a 5-day visit to Bangladesh at the beginning of February External Affairs Minister Joe Clark signed five agreements that would provide increased assistance from Canada. The agreements were for:

- The provision of \$65 million from CIDA to purchase aluminum, copper, zinc, woodpulp and sulphur in Canada for industrial development in Bangladesh;
- A one-time contribution by the Canadian government of up to \$8 million in refined canola oil as food aid in fiscal 1987-88; the oil would be sold in Bangladesh through government fair price shops and on the open market and the money used to pay for agriculture and rural development projects in Bangladesh;
- The financing by CIDA of a \$1 million study to establish engineering requirements and costs for upgrading the Central Load Dispatch Center of the Bangladesh Power Development Board and improve the associated telecommunications system;
- The contribution by CIDA and UNICEF-Canada of \$4 million dollars towards a child survival program to be equally funded by Canada, Sweden and Switzerland; the program would teach rural mothers the technique of oral rehydration and provide immunization and vitamin supplements for mothers and children, as well as upgrade skills of village midwives;
- The extension by \$1.4 million of Canada's contribution to a \$3.9 million project to build water control structures; the project was a joint effort of CIDA and the World Bank, and would increase the effectiveness of existing earthworks for drainage, flood control and irrigation (External Affairs communiqués, February 3, 4 and 5).

On the first day of his 7-day visit to India, Mr. Clark signed an agreement to provide \$89 million worth of crude canola oil and technical assistance over the following five years to help India in its efforts to improve edible oil production and to strengthen cooperatives among oilseed producers. Mr. Clark noted that this second phase of a project which had been successful in several Indian states would be mainly funded by CIDA, with \$4 million from the Cooperative Union of Canada. The oil would be sold and the money used in the same way as it was under the Canada-Bangladesh agreement (External Affairs communiqué, February 6).

On the same day Mr. Clark signed with the Indian minister of external affairs a bilateral extradition treaty which superseded previous arrangements under the Canada Extradition Act and extended to defendants the protection of the Canadian Charter of Rights and Freedoms.

"Modern crimes" such as hijacking and drug trafficking were covered under the new treaty, the Department of External Affairs said, and only those whose alleged crimes were serious criminal offences in both Canada and India would be subject to extradition under the treaty. Indian requests would be subjected to thorough consideration by the Canadian Department of Justice, and a judicial decision to extradite would be reviewable by higher judicial authorities and by the minister of justice (External Affairs communiqué, February 6).

In the House on February 6 John Nunziata (Lib, York South — Weston) said that the treaty "will allow the Indian government to randomly terrorize and intimidate members of the Canadian Sikh communityOf particular concern . . . is the prospect of having the internal strife related to Punjab autonomy spill over into CanadaIndia also has a disturbing record of human rights abuses that adds to the apprehension felt by Canadian Sikhs." The *Ottawa Citizen* reported on February 7 that Canadian officials had assured the Sikh community that no ethnic group was being singled out by the treaty, and that the officials were "willing to meet any place and at any time" with the Canadian Sikhs to explain the treaty and demonstrate that it was not aimed at them. In accordance with this offer External Affairs Minister Joe Clark paid a "surprise visit" (*Toronto Star*, February 15) to the opening night of a University of Toronto Conference on Sikh Religion and History in the 20th Century. While some Sikhs at the conference were reported to have objected to the surprise nature of the visit, Bill Chambers of External Affairs said that Mr. Clark had thought it would be a good way of "explaining some of the things [the Canadian Sikhs] are concerned about."

Before leaving India on February 12, the Minister also signed an agreement on collaboration in industrial areas. Bilateral trade had nearly doubled in the previous three years, and India was concerned that the imbalance of trade be corrected in India's favor. Mr. Clark also offered Canada's help in the expansion of cooperation in the coal and oil sectors (*Globe and Mail*, February 10).

Indonesia

Visit of Foreign Minister

Dr. Mochtar Kusumaamadja, Foreign Minister of the Republic of Indonesia, met with External Affairs Minister Joe Clark in Ottawa from February 16 to 18 to discuss a wide range of current international issues as well as bilateral relations and interests. Dr. Mochtar's second visit to Ottawa since 1981 was to follow up Mr. Clark's Indonesian visit of 1985 (External Affairs communiqué, February 12).

Iran

Engs's Release

On February 6 both the *Ottawa Citizen* and the *Globe and Mail* reported that a spokesman for the Iranian embassy in Ottawa had said that Canadian engineer Philip

Engs, who had been a prisoner in Iran for two months, was to be released shortly (See "International Canada" for December 1986 and January 1987). The spokesman, Majid Ghahremani, had said that the Danish ambassador in Tehran, who was acting for Canada in the Engs affair, had been called to the Iranian Foreign Ministry on February 4 and told that Mr. Engs would be released into his custody. Mr. Ghahremani said, "Although they had evidence to back up the charge, he will be released. We felt it would be a showing of goodwill for Canada and show there is a difference between Canada and the US" (*Ottawa Citizen*, February 6).

On February 9 the *Globe and Mail* reported that Mr. Engs had been released the previous day. An External Affairs spokesman reported that Mr. Engs was in good health and looked well, and that the Danish ambassador was seeking an exit visa for him to return home.

On February 10 Mr. Engs reached Frankfurt, West Germany, where he said that he had known for about one month that he would be cleared of the allegations against him and released (*Ottawa Citizen*, February 10). Looking fit and refreshed despite his ordeal, the report said, Mr. Engs stated, "I was treated fine, nobody ever laid a finger on me," and expressed his gratitude to Canadian and Danish authorities and to his employer, Schlumberger International, for their efforts in obtaining his release.

Upon his arrival in Canada on February 10, Mr. Engs said, "I'm not a spy. I hope you realize that" (*Globe and Mail*, February 11). He said that the Iranian authorities had confiscated "films of various things in different countries" and interrogated him for a total of ten days about spying and espionage. But he was never afraid of not being released, he added. "I was confident of my innocence and I was certain it would come to a successful conclusion and it did."

Dennys Tessier, a spokesman for External Affairs, said that as far as the Canadian government was concerned the case of Philip Engs was closed and there would be no further investigation of the incident, the *Globe and Mail* report said. He added that no formal complaint about Mr. Engs's imprisonment had been launched. "As far as we know, he was never charged," Mr. Tessier said. "His release was not the result of negotiations." Bud Bell, vice-president of Schlumberger of Canada, said that the company had other employees working in Iran but would not comment on how the incident might affect the way the company operated there.

Israel

Military Attaché

On March 5 the *Globe and Mail* reported that the Department of External Affairs had announced that Israeli diplomat General Amos Yaron, military attaché at the

Israeli embassy in Washington, had been refused accreditation by the Canadian government. General Yaron had been nominated as non-resident military attaché in Ottawa. He had been cited by a state inquiry in Israel that investigated the massacres of Palestinian refugees at the Sabra and Shatila refugee camps in Beirut in 1982, the report said, but External Affairs Minister Joe Clark said that "nothing would be served by going into the background of the Canadian decision." The Israeli embassy had been informed that "it would not be appropriate that General Yaron be accredited to Canada," the Minister added.

The *Globe and Mail* report said that General Yaron, a veteran paratroop officer, had been banned from holding a field command for three years as a result of the inquiry, which had placed much of the blame for the massacres on Israeli military officials who had controlled the area during an Israeli campaign to drive PLO fighters out of strongholds in Beirut. General Yaron had indicated at the inquiry that Lebanese Christian militias, often supported by Israel, had been allowed to continue a sweep through the two refugee camps long after suspicions had surfaced that civilians were being slaughtered, the report said. A March 6 report in the *Globe and Mail* added that General Yaron had been in command of the troops encircling the camps, and that the Israeli inquiry had stated that "by virtue of his failings and his actions . . . Brigadier-General Yaron committed a breach of the duties incumbent upon him by virtue of his position."

Abdullah Abdullah, a spokesman for the PLO in Ottawa, was quoted by the *Ottawa Citizen* on March 5 as saying that the decision not to accredit General Yaron was "a reflection of the Canadian tradition of not accepting criminals as respected diplomats in this country . . . The souls of the victims of the Sabra-Shatila massacre will rest in peace as they know there is someone who is determined not to reward the victimizer." The report added that a "terse statement" from Israeli embassy press attaché Avi Gil read: "We were informed today by External Affairs with regard to the accreditation of General Amos Yaron. We are studying the matter, and until the conclusion of the process, we have no further comment." On March 6 the *Globe and Mail* reported that Israeli Foreign Minister Shimon Peres had said in Tel Aviv that General Yaron "was properly selected and that's it . . . I regret the decision of the Canadian government."

Italy

Agreement on International Crime

Solicitor General James Kelleher and Italian Interior Minister Oscar Scalfaro agreed during talks in Rome on March 13 to begin reciprocal visits between top police and security officials, and to extend cooperation in exchanging information to fight international crime and drug trafficking. A statement from the Italian Interior Ministry said that Italy

would soon send a team of experts to Canada to study airport security measures. Mr. Kelleher had been in Europe since March 9, visiting various countries to discuss airport security (*Ottawa Citizen*, March 14).

Japan

Agreement with Radio Canada International

Le Devoir reported on March 6 that an agreement had been reached between Minister of Communications Flora MacDonald (who was visiting Japan) and Japanese Minister of Telecommunications Shunsujiro Karasawa that would allow the CBC's Radio Canada International to use facilities of Japan's national radio network to broadcast in China and other parts of Asia. The use of the facilities was offered in exchange for the Japanese network's being allowed to use Radio Canada facilities at Sackville, New Brunswick, to broadcast to the US east coast, Latin America and the Caribbean.

Ms MacDonald said that for the two weeks she had been travelling in Asia she had been completely cut off from Canada for the first time, because she had been unable to tune in to Radio Canada International.

Ms MacDonald and Mr. Karasawa also agreed to organize periodic meetings to explore further means of cooperation in telecommunications between the two countries, the report said.

Auto Imports

Denis Comeau, a spokesman for External Affairs, said on March 30 that Japanese automakers were being warned not to increase their shipments to Canada beyond levels established under the previous year-long agreement which expired that day, a March 31 *Ottawa Citizen* report said. Mr. Comeau said that a review of domestic auto industry policies by Industry Minister Michel Côté was expected to be completed within the following two months. "The regime of imports is being looked at under the review," Mr. Comeau said. The North American auto industry and the Canadian Auto Workers union had not been successful to date in their lobby to have Canadian content rules met by Japanese and other Asian manufacturers. Mr. Côté was concerned that such regulations could drive away new investment by Japanese and Korean auto companies, several of which were building assembly plants in Canada, the report said.

Under the last pact between Canada and Japan, the report added, Japan had agreed that its exports to Canada would not exceed a 21 percent share of the Canadian new car market. However, the value of Japanese car imports soared in 1986 as Japan shipped bigger, more expensive models, thus boosting their sales without breaking their market share agreement with Canada.

It was not unusual for an existing Canada-Japan restraint agreement to expire before a new deal was negotiated, the report added (See "International Canada" for August and September 1986).

Korea

Trade Minister's Visit

International Trade Minister Pat Carney announced on March 12 that the Republic of Korea had agreed to take specific steps to increase Canadian exports to that country. During discussions with visiting Korean Minister of Trade and Industry, Woong-Bae Rha, the following commitments were made:

- Increased purchases of Canadian coking coal amounting to 500,000 tonnes in 1987 and 550,000 tonnes in 1988;
- A 25 percent reduction in the Korean tariff on softwood lumber imports;
- An increase in the Korean special import quota for canola from 11,000 to 15,000 tonnes.

Ms Carney and Mr Rha agreed on steps to facilitate increased sales of Canadian manufactured products to Korea, and signed two joint venture agreements between Canadian and Korean companies (International Trade communiqué, March 12).

Nicaragua

Canadian Journalist Killed

A March 21 report in the *Globe and Mail* said that the Department of External Affairs was seeking details before releasing more information in the death of a Canadian journalist, which had been reported by the Canadian embassy in Guatemala on March 20. A *Toronto Star* report the following day said that the journalist was Peter Bertie of Toronto, who had been travelling with the Contra rebels in Nicaragua on their missions since 1984, and had written freelance pieces on Nicaragua for the *Toronto Sun*, *Newsday*; and *Soldier of Fortune*. The *Ottawa Citizen* reported on March 23 that Mr. Bertie had died on March 19 during an ambush by government troops while he was travelling with a guerrilla unit that had killed four civil defence workers, wounded two small children and incinerated a public health center earlier that same day in a dawn raid on a coffee-farming village. The report also quoted a 1986 letter from Mr. Bertie to his wife which read, "If I get killed in Nicaragua, well, it was marvelous to have been able to fight communism in some small way." On March 24 the *Ottawa Citizen* reported that Mr. Bertie's body had apparently been buried in Nicaragua by Contra forces that he had been travelling with, according to an External Affairs spokesman. Mr. Bertie's papers were being taken from Nicaragua by the rebels, said the spokesman, and until the department saw the papers they could not be sure that he was the man killed during the raid. The department had informed Mr. Bertie's family of his probable death, the report said, while awaiting a response to their request to the Nicaraguan government for information on the journalist's fate.

Romania

Hate Literature Allegations

Ontario Attorney-General Ian Scott was urged by the Hungarian Human Rights Foundation to lay charges of propagating hate literature against Romanian ambassador to Canada Emilian Rodean and his press attaché and second secretary Dumitru Barbulescu. The foundation had identified Mr. Rodean and Mr. Barbelescu as being responsible for distributing to MPs and Canadian universities a book entitled "Horthyist-Fascist Terror in Northwestern Romania," the report said. The book's subject was alleged atrocities perpetrated by Hungarian occupation forces who retook the former Hungarian province of Transylvania (now a province of Romania) during World War II. According to the foundation, photographs in the book had been studied by a neutral forensic photographer, who said that they had been tampered with or staged. The book was an attempt, said the foundation's officials, by the Romanian government to divert worldwide concern over what they called Romanian oppression of its 2.5 million Hungarians. An official at the Romanian embassy said that the foundation's concerns were groundless, and a spokesman for the Attorney-General's office said, "We've asked the Ontario Provincial Police to investigate and report back to us" (*Globe and Mail*, March 25).

South Africa

Sanctions

The question of Canadian sanctions against South Africa continued to cause dispute during this 2-month period (See "International Canada" for December 1986 and January 1987). South African ambassador Glenn Babb said at a Rotary Club luncheon on February 1 that South Africa was "the most virile and unconquerable nation on earth," and could not be damaged by Western sanctions. Apartheid was being gradually dismantled, he said, in "the racial experiment of the 20th century," but added that the "leap in the dark cannot be taken suddenly" (*Ottawa Citizen*, February 2).

The *Globe and Mail* published an advertisement on February 2 promoting a "South African fact-finding tour." Department of External Affairs spokesman Denys Tessier said that the ad was not illegal but violated the voluntary ban on the promotion of tourism in South Africa. External Affairs Minister Joe Clark had ordered a South African tourism board and a national airline office in Toronto closed in September 1986 after they had advertised a similar tour, but South African Airways offices continued to operate in Toronto, Vancouver and Montreal. The ad had been placed by Toronto-based Inclusive Tours (*Globe and Mail*, February 3).

From the capital of Bangladesh on February 4 Mr. Clark said, "There has been virtually no change in South African policies since a Commonwealth mini-summit in London last August imposed some sanctions against it

... We are very depressed by the southern African situation and our government may sever diplomatic relations unless Pretoria changes its policy" (*Globe and Mail*, February 5).

Also in early February Toronto-based Falconbridge Ltd. sold its holdings in Western Platinum Ltd. of South Africa. Mr. Clark had expressed regret at Falconbridge's November 1986 decision not to comply with the voluntary ban on investment (See "International Canada" for October and November 1986).

Archbishop Denis Hurley of the Roman Catholic archdiocese of Durban, South Africa, said during a tour of Canada that sanctions were "justifiable in the current circumstances but I would be cautious about them being used in a sledgehammer way." The archbishop also said that he thought a black government in South Africa was inevitable, though he did not expect to see it in his lifetime. "The question is can it be accomplished without war? Can we convince the regime that life will be livable under a black government?" he asked (*Halifax Daily News*, February 14).

In a February 27 speech to a UN committee on apartheid Shirley Carr, president of the Canadian Labor Congress, said that she was proud of Canada's role in implementing sanctions against South Africa and called for Prime Minister Brian Mulroney to "impose full sanctions and to withdraw [Canada's] embassy" from Pretoria (*Globe and Mail*, February 28). On the same day one of the leaders of the African National Congress (ANC), Thabo Mbeki, told an international conference on South Africa in Montreal that only comprehensive sanctions would force South Africa's white minority to begin dismantling apartheid because partial sanctions imposed by Canada gave the South African regime time to adjust economically (*Ottawa Citizen*, February 28). Mr. Clark, addressing the same conference, said that "The current set of sanctions has undoubtedly contributed to the growing stream of private decisions to take money out of a system that is evidently less stable. Sanctions add to the cost and to the inconvenience of maintaining apartheid" (External Affairs communiqué, February 28). Mr. Clark told the Commons human rights committee on March 4 that he had received cabinet approval in January for further sanctions against South Africa but the time was not ripe to impose them for full effect (*Ottawa Citizen*, March 5). The Minister added that as long as the USSR maintained close ties with the ANC the West had no alternative but to deal with the Soviet threat as well. A situation of chaos would encourage the Soviets, he said, who "always fill a vacuum and they always seek violence."

On March 10 South African ambassador Glenn Babb accepted an invitation from Chief Louis Stevenson and visited the Peguis Reserve in Manitoba. The Chief gave Mr. Babb a letter requesting \$99 million in foreign aid for the Peguis band from South Africa, which the ambassador promised to pass on while warning that the Pretoria government would probably give priority to its own internal needs. Mr. Babb said, "It is very strange that there are so many fingers pointing at South Africa . . . If you point your

finger at your neighbour, you'll have three more pointing back at you." Chief Stevenson told a gathering of Peguis Indians, "Canada spends more money on foreign aid than what is spent to overcome the problems endured by the Indian people" (*Globe and Mail*, March 11). The *Johannesburg Star* gave front-page coverage to Mr. Babb's visit and called conditions on the reserve a "strong reminder" of those in South African homelands and townships, a March 12 *Globe and Mail* report said.

Near the end of his posting in Ottawa, Mr. Babb purchased a full-page advertisement in the March 30 *Globe and Mail*. Called "A message to Canadians from departing South African Ambassador, Glenn R.W. Babb," the advertisement presented a calendar of South African reforms, demographical statistics and a letter from Mr. Babb which stated, "Wherever we have gone Canadians of many colors and creeds have received us well and have been courteous and kind . . . I have at all times endeavoured to broaden the Canadian people's knowledge of the realities of the situation facing South Africa in what is essentially an ideological struggle known to the Western world, but commonly misconstrued as purely a racial issue. The destruction of South Africa's economic infrastructure can only lead to the destabilization of the entire sub-continent . . . There are many opportunities for Canada to fulfill a leadership role in political events in South Africa that do not include an assault on the very infrastructure that supports our fast expanding democracy. Canada is a player South Africans do not wish to see deal itself out of the game right at the beginning of a new era."

Also at the end of March, the RCMP laid charges against two Ottawa area companies of illegally exporting US-made high technology equipment to South Africa. Lajal Scientifique Inc., its subsidiary Aero-Vue Canada Inc. and the companies' president Larry Camphaug were scheduled to appear in Ontario provincial court on April 14 in the case of the export of a night vision system which they were alleged to have exported in 1985 without the required permit from the Department of External Affairs. The trial would be the first involving export of strategic and military goods to South Africa since 1977, when the export of such goods to South Africa became subject to Canadian government controls as part of sanctions imposed by the UN, a March 31 *Globe and Mail* report said.

Spain

Bilateral Air Agreement Reached

External Affairs Minister Joe Clark and Transport Minister John Crosbie announced on March 23 that a new agreement between Canada and Spain would enable Canadian Pacific Airlines to proceed with its plans to inaugurate a new service to Madrid from Toronto and Montreal via Lisbon as early as June 1987. "This is the first time a Canadian airline will have served Madrid since Canadian Pacific suspended its services in 1976," said Mr. Crosbie. Mr. Clark added that the new agreement would enable

Iberia airlines to continue its longstanding service from Madrid to Montreal, which it had been operating under a temporary permit. The air agreement was the first ever to be signed by the two countries (Government of Canada communiqué, March 23).

Syria

Canadian Ambassador Returns to Damascus

External Affairs Minister Joe Clark announced on February 18 that Jacques Noiseux, Canadian ambassador to Syria, would return to Damascus on February 19. Mr. Noiseux had been recalled to Ottawa for consultations following the murder trial of Nezar Hindawi in London (See "International Canada" for October and November 1986). An External Affairs communiqué said that the return of Mr. Noiseux to Syria would provide an opportunity to restate forcefully and directly Canadian views on state-sponsored terrorism, and that the ambassador would carry a stern message about this important issue and its implications for Canada's relations with Syria. Canadian relations with Syria would not improve while Syria retained its identification with international terrorism, the communiqué said, but the presence of Mr. Noiseux in Damascus would permit him to deal first-hand with Canadian interests in Syria and to respond to developments in Lebanon, to which he was also accredited (External Affairs communiqué, February 18).

Uganda

Visit of Prime Minister Kisekka

On March 22 Ugandan Prime Minister Samson Kisekka arrived in Ottawa for meetings with External Affairs Minister Joe Clark, External Relations Minister Monique Vezina, and the directors of CIDA and the International Development Research Center. Mr. Kisekka, the highest-ranking Ugandan official ever to visit Canada, was reported by the *Globe and Mail* on March 23 to be seeking more Canadian aid to assist in the building of schools, roads, hospitals and a mixed economy in his East African country.

In an interview with the *Ottawa Citizen*, Mr. Kisekka said that he was also seeking advice from Canada on the formulation of a democratic constitution for Uganda. CIDA had already sent one of its legal advisers to Uganda to study the country's constitutional needs, the report in the *Ottawa Citizen* said, and it was not known what result that study would have. In addition, Mr. Kisekka had asked the Canadian government to set up a Canadian high commission in Uganda, the report said, but a spokesman for the Department of External Affairs said that this was unlikely to happen since the department was in the process of closing some foreign missions as a money-saving measure (*Ottawa Citizen*, March 24).

USSR

Mulroney Visit Announced

The *Globe and Mail* reported on February 5 that Prime Minister Brian Mulroney would visit the USSR in the summer of 1987 for talks with Soviet leader Mikhail Gorbachev. In the first official visit since 1971 by a Canadian prime minister, except for Soviet leaders' funerals, Mr. Mulroney would hold three or four days of talks and would likely visit one other city besides Moscow, according to Moscow officials. Mr. Mulroney had replied to a long-standing invitation from Mr. Gorbachev, and specific dates in June or July would be set soon, the report said.

Renewal of Arctic Science Exchange Program

The Department of External Affairs announced on February 26 that the first joint meeting of the Coordinating Group of the Canada-USSR Arctic Science Exchange Program, held in Ottawa February 23 to 26, had resulted in the signing of a Protocol extending the program for another two years. The primary goal of the program, first established in 1984, was to provide a forum for the exchange of useful scientific information. The program also served to improve and broaden Canadian-Soviet relations, and to open the door to fruitful commercial cooperation in certain areas of Arctic development where Canadian capabilities, equipment and machinery could match Soviet needs (External Affairs communiqué, February 26).

Soviet Families Released

External Affairs Minister Joe Clark said on March 4 that Soviet officials would allow twenty-two families to leave the USSR and travel to Canada, partly as a result of pleas for their release by the Canadian government. Mr. Clark released the names of the families and their Canadian destinations and said he hoped that their release indicated a freer flow of emigration would be allowed by the USSR. The families were among those presented on a list to Soviet foreign minister Eduard Shevardnadze by Mr. Clark in Ottawa in September 1986, when he described the issue as a major concern in relations between the two countries. In announcing the release of the families, Mr. Clark said the Soviet decision "is an indication of the willingness of Soviet authorities to move relations between Canada and the USSR forward along constructive lines." Canada would continue to press for the release of the remaining twenty families on his list, however, and of all families who remained separated from their relatives in Canada, he added, and further meetings on the issue were planned (*Globe and Mail*, March 5).

Arms Control Consultations

On March 5 and 6 in Ottawa the third annual round of Canada-USSR arms control consultations was held. The broad agenda included the bilateral US-USSR talks, chemical weapons, conventional arms control and disarmament issues, including the UN and the Conference on Disarmament in Geneva (External Affairs communiqué, March 5).

Wheat Board Minister Visits USSR

Moscow's Tass news agency reported that a visit by a Canadian trade delegation to the USSR led by Wheat Board Minister Charles Mayer was considered successful, and quoted Mr. Mayer as saying that the group's visit to Moscow, Stavropol, Rostov-on-Don and Volgograd had enabled the Canadians to determine what Soviet products could be sold in Canada. Tass said that the Canadians had expressed special interest in farm machinery, chemicals and fertilizers, equipment for the oil and gas industry, power engineering equipment and consumer goods including clothing, textiles and sports equipment. The USSR had a trade deficit with Canada and was known to be seeking ways to increase sales of manufactured products to Canada, the March 24 *Globe and Mail* report said.

A March 26 communiqué from the Canadian Wheat Board said that the week-long visit to the USSR had assured the Minister that Canada would continue to be a major grain supplier to the USSR. Delegates from the wheat-producing provinces who accompanied Mr. Mayer said that Canadian grain producers understood the Soviet concern about the trade imbalance between the two countries, which was primarily a result of large Soviet grain purchases. They emphasized that Canadian farmers would no doubt be interested in Soviet machinery if it were competitive in price and quality.

The communiqué noted that the USSR, Canada's

largest grain customer, had actually purchased 35.7 million tonnes of Canadian grain under the 1981-86 agreement, which had called for a minimum of only 25 million tonnes. The new agreement, signed in October 1986 and valid until July 1991, again called for 25 million tonnes to be purchased.

Venezuela

Masse Visit

Energy Minister Marcel Masse visited Venezuela from February 22 to 27 to promote bilateral cooperation in energy matters, a February 24 *Globe and Mail* report said. Canadian embassy sources said that the main purpose of the visit was to ensure oil supplies and build up personal contacts with the Venezuelans, but a broad range of energy matters was discussed by Mr. Masse and Venezuelan energy minister Arturo Hernandez Grisanti, including joint research in petroleum, cooperation in non-oil energy development and efforts to prevent a US tax on imported oil. The report added that Canada imported approximately 60,000 barrels of oil per day from Venezuela while producing about 1 million and consuming a total of 1.3 million.

Multilateral Relations

NATO

Veterans Against Nuclear Arms

NATO and NORAD were means for Canada to give support to a superpower confrontation which was becoming more dangerous every day, a group of retired military officers called Veterans Against Nuclear Arms told a news conference in early February. A retired naval captain, Ray Creery, said that Canada did not have to pull out of either alliance but should instead put more emphasis on peace-keeping through the UN, declare itself a nuclear-free zone and press NATO to guarantee that the alliance would not be the first to use nuclear weapons. The group gave their recommendations to Defence Minister Perrin Beatty, who was in the final stages of preparing a white paper on defence that would guide Canadian defence policy for the following few decades (*Ottawa Citizen*, February 3).

Norway-Canada Talks

A week after the commander-in-chief of NATO's Northern Command, General Geoffrey Howlett, said that both Canada and Britain were reviewing their defence expenditures and were considering withdrawing from NATO plans to send troops into Norway and Denmark in times of crisis

(*Ottawa Citizen*, February 7), Norway's defence minister Johan Joergen Holst arrived in Ottawa for two days of meetings with Canadian defence officials. Mr. Holst expressed deep concern over the possibility of Norway's not having Canadian reinforcements to rely on. The final decision regarding Canada's NATO commitments was expected to be contained in Mr. Beatty's white paper in the spring (*Ottawa Citizen*, February 14).

Canadian to Command NATO Fleet

It was announced in mid-March that Commodore Lynn Mason of the Canadian navy would take command of NATO's multi-national Standing Naval Force Atlantic at a ceremony in Norfolk, Virginia, on March 27. Commodore Mason would become the sixth Canadian to command the force since its inception in 1968. The permanent force was made up of five to nine destroyers occasionally reinforced by a supply ship or submarine, and each year took part in major NATO exercises, a March 17 report in the *Moncton Times-Transcript* said.

GATT

Carney Meetings

International Trade Minister Pat Carney was in Geneva at the beginning of February for meetings with GATT officials. The Minister expressed Canada's support for the Uruguay Round to GATT Director General Arthur Dunkel, and also participated in the Davos Symposium of world leaders, where she found "a clear consensus that the successful completion of the new Round is essential to world trade, growth and the resolution of the global debt problem." The talks were to begin on March 9 (International Trade communiqué, February 2 and *Winnipeg Free Press*, February 3).

Canada-US Fish Dispute

A US complaint that a Canadian law prohibiting export of unprocessed herring and salmon was discriminatory was to be examined by a formal panel set up by the GATT ruling council in early March. US ambassador to GATT Michael Samuels charged that Canada was trying to preserve domestic jobs by insisting that herring and salmon be processed at home (*Globe and Mail*, March 5).

Commonwealth

Commonwealth Day

On March 9, Commonwealth Day was observed in Canada and throughout the Commonwealth. External Affairs Minister Joe Clark told the House on March 9 that the Commonwealth "is one of the most relevant and effective associations to which Canada belongs." The Minister pointed out that through the Commonwealth Canada had been able to build effective pressure against apartheid in South Africa, as well as cooperate in international trade, research and development in many scientific disciplines, and develop more effective programs of aid throughout the world. "What was once a connection to our past has now also become a principal instrument of contemporary policy, and a symbol of the breadth of spirit, and the breadth of alliances, which this special country Canada will require to

achieve our interests in the future" (External Affairs communiqué, March 6 and March 9).

United Nations

International Pollution

Maurice Strong, the Canadian member of the UN World Commission on Environment and Development, said on February 18 that the Commission would recommend new international laws to permit legal challenges of polluters in neighboring countries. The new laws could be based on international courts in the European Community. "We need to vastly strengthen our legal means . . . Our report will provide more documentation of specifics of how to do it." The report of the Commission was expected to appear in April. Mr. Strong added that environmental problems had become so serious that the following two or three decades "are the most dangerous that the human race has ever faced . . . If we continue the way we're going, I have to be rather pessimistic about the prospects of civilization as we know it actually getting through the next century." Mr. Strong was speaking at a public hearing by a national task force on the economy and the environment in Winnipeg, Manitoba (*Globe and Mail*, February 19).

Cree Council Granted UN Status

The Grand Council of 10,000 Cree in Northern Quebec was granted international non-governmental organization status at the UN in early March. "We're very pleased our nation is getting this recognition," said executive chief Philip Awashish. The status would allow the Cree to appear before and submit information directly to member nations in the UN's Economic and Social Council. The Cree would also be advising a UN council committee on the drafting of an international standard of treatment of indigenous peoples, which UN member states would be asked to endorse. Grand Chief Ted Moses said that the Cree treatment in the implementation of the James Bay Agreement would be internationally visible as a result of the new status (*Globe and Mail*, March 3).

Policy

Immigration

Administrative Changes Announced

Human rights activist Rabbi Gunther Plaut told a gathering in Kingston at the beginning of February that people who came to Canada to take advantage of lax immigration laws were merely opportunists. "We ought not complain about abusers coming in, because the process — clogged up as it is — invites it," Rabbi Plaut said (See "International Canada" for December 1986 and January

1987). "Right now people come to Canada knowing that the process will take a long time and therefore they'll take a chance. They'll hope that four or five years down the line they'll get amnesty, or marry someone, or have Canadian-born children. If I was one of them, I'd take a chance too. Why not?" The rabbi, appointed in 1985 as a one-man Federal Commission to Revise Refugee Determination in Canada, was critical of the government for "foot-dragging"

in the development of new refugee policy, and of those Canadians who opposed allowing refugees into the country, saying that the government had to "disregard the vocal minority that would have us believe that Canada is being overrun with refugees. We had a quota of approximately 100,000 immigrants and refugees last year that we didn't even fill" (*Kingston Whig-Standard*, February 6).

Immigration department officials said in early February that the increase in the number of Salvadorans and Guatemalans arriving from the US and seeking refugee status in Canada was a direct result of November US legislation which imposed stiff penalties on employers of illegal aliens and gave amnesty only to those who had lived continuously in the US since January 1982 (*Globe and Mail*, February 12).

On February 20 Immigration Minister Benoit Bouchard announced a series of administrative changes designed to "increase Canada's ability to help genuine refugees who need our protection by deterring abuse of the refugee determination system" (Employment and Immigration communiqué, February 20). The changes, which were to take effect immediately, included:

- The blanket policy on non-deportation which applied to certain countries would be cancelled, meaning that people arriving in Canada seeking refugee status would be placed in the refugee claims system, and Minister's permits would no longer be automatically issued at the port of entry;
- All refugee claimants arriving from the US would remain temporarily in the US until a Canadian immigration hearing could take place;
- People coming from those countries whose citizens required visas to visit Canada would under the changes also require transit visas in order to travel through Canada when destined for another country.

In the House, some Opposition members were critical of the administrative changes. Dan Heap (NDP, Spadina) said, "The Canadian government is simply opting out of its responsibility to refugees coming across the border from the US." Refugee aid groups were also critical of the measures, which they described as turning refugees into "fodder for guns" in their own countries, and "shameful" to them as Canadians (*Ottawa Citizen*, February 23).

The *Globe and Mail* reported on March 3 that it had obtained Cabinet documents which indicated that the government had approved an amnesty for the more than 20,000 refugee claimants backlogged in the system. However, Minister of State for Immigration Gerry Weiner said the same day that the government did not plan to grant a general amnesty but was reviewing each case individually, with consideration being given to those cases which might require special compassion for persons claiming their life would be endangered in their own country (*Globe and Mail*, March 4).

The following week three Chilean women and their three children, who had been stranded in Buenos Aires immediately following Mr. Bouchard's announcement, were admitted to Canada. The decision ended a 19-day hunger strike by Montreal families of stranded Chileans, of whom there remained eighty-five in Argentina. Mr.

Bouchard said that those who remained would have to seek through regular channels to enter Canada, as he believed none of them qualified for refugee status. The hunger strikers said they would continue to try to convince the Minister to let the rest of the stranded Chileans enter Canada as refugees (*Ottawa Citizen*, March 13).

Mr. Weiner told a group operating a reception house for refugees in Calgary on March 23 that the government needed to explain the contribution made by refugees and immigrants in Canada in order to combat growing anti-immigration sentiment. He said that traditionally new immigrants or refugees earned 10 percent more than the national average income after ten months in Canada, not by taking jobs but by creating them, and referred to the "lack of understanding of the kind of society we've become" (*Calgary Herald*, March 24).

On March 29 Mr. Bouchard announced that three of the remaining stranded Chileans would be allowed to enter Canada as refugees, and eight others would have their cases examined by the immigration department in the following few weeks. "I can't say it's absolutely final," the Minister added. "The question of human rights is very delicate. If there are new facts, we could change the evaluation of certain cases" (*Globe and Mail*, March 30).

Defence

Canadian Arctic Sovereignty

A report from the Canadian Institute for International Peace and Security which was released to the *Globe and Mail* in early February recommended that Canada consider mining the deep-water channels in the Arctic archipelago and declaring a peacetime "keep out zone" to deter possible submarine intruders. Such measures, the report said, "would constitute a major break with traditional Canadian policy but might also signal Canadian determination to refuse to passively accept the militarization of the Canadian Arctic." It said that US attack submarines might want to use Canadian Arctic waters to enter Soviet submarine sanctuaries, or that Soviet submarines might go through the Canadian Arctic in order to avoid heavily defended gaps between Greenland, Iceland and the United Kingdom. There was a strong case for Canada's developing its own anti-submarine warfare capability within the Arctic archipelago, the report said, "to provide peacetime surveillance, to close the waters in time of crisis, and, generally, to deter potential intruders who might otherwise seek to exploit Canadian Arctic waters." The report was written by David Cox, research director of the federally sponsored Institute (*Globe and Mail*, February 4).

On the same day the report was released, Defence Minister Perrin Beatty said that the suggestion to mine Arctic waters "is not something we're looking at . . . It is technically feasible, you could do something like that, but is it politically practical, is it diplomatically practical? It is not something I envisage us doing." While he acknowledged that the mining plan would be less expensive than the more elaborate suggestions of aerial and space surveillance and construction of a \$500 million icebreaker to patrol the Arctic waters, Mr. Beatty said, "We're looking at other

options with regard to the sovereignty of the North and I think it's important we look at them instead" (*Ottawa Citizen*, February 5).

External Affairs Minister Joe Clark announced in the House on March 2 that the government proposed to build "the world's largest icebreaker, the Arctic Class 8, at Versatile Pacific Shipyards" in Vancouver. The Minister referred to the Class 8 icebreaker as "the most effective means of asserting control over the waters we claim. It will facilitate safe and lawful navigation through Canada's Arctic waters. The decision to build the ship signals to the world Canada's serious commitment to Arctic sovereignty. The ship will put Canada in the first rank in icebreaker capability, commensurate with our position as a major Arctic state. . . . In addition, Canada's Arctic infrastructure and control are being strengthened in such areas as ship construction for support of northern commercial operations, aids to navigation, ice reconnaissance and forecasting, satellite communications, establishment of marine parks, political devolution and native land claims. . . . This government is determined to assert Canadian sovereignty in the North and to promote Canada as a key player in Arctic cooperation."

In Yellowknife on March 11 Mr. Beatty announced further measures to assert Arctic sovereignty. Airfields at Inuvik, Yellowknife, Iqaluit, Rankin Inlet and Kuujuaq had been selected as sites for forward operating bases for CF-18 fighter aircraft to defend the North, the Minister said. Along with Canadian CF-18 fighters, he said, other interceptors under NORAD jurisdiction would use the bases periodically. The locations were jointly chosen by Canada and the US, which would split the cost of work needed to bring the airfields up to standard for the fighters. Mr. Beatty said that the increased presence of the aircraft would strengthen Canadian sovereignty in the Arctic (*Globe and Mail*, March 12).

Finally during this 2-month period, the March 23 issue of *Maclean's* stated that a preliminary agreement between Canada and the US on Arctic sovereignty had been reached at secret talks in Ottawa and Washington. In the House, Mr. Clark denied that an agreement had been reached, and insisted that Canada was still negotiating its Arctic sovereignty with the US. The Minister said that the two governments were discussing "some way we could have an arrangement that would serve their legitimate security interests and respect our sovereignty." When asked by Liberal external affairs critic Don Johnston whether the Canadian government had consulted the US on the decision to build the Class 8 icebreaker, Mr. Clark replied, "No, we didn't. I told the Americans what we were doing to establish our sovereignty in our North. The question of our sovereignty is not negotiable."

Aid

CIDA

External Relations Minister Monique Landry announced in Winnipeg on February 3 that CIDA would

spend \$450 million on a variety of food aid and development programs ranging from one to five years, with the bulk of the money to be spent in contributions of western Canadian grains and oilseeds to the international World Food Program, of which Canada was a founding member and second largest donor. The purchasing of grains and oilseeds by CIDA represented "a substantial market for western Canadian farmers," she said (*Ottawa Citizen*, February 3).

Later in February, Gaston Grenier, chief of CIDA's agricultural sector, said that some expensive mistakes had been made during Canada's 10-year involvement in developing irrigation systems in Third World countries. Mr. Grenier said, "We have seen a lot of failures in the management of irrigation systems, it's true. . . . Were we too optimistic? Were our consultants too optimistic? I would say: 'Yes, we were,' in many cases. But that was part of the learning process." CIDA was spending some money on new irrigation schemes, he said, but far more was being spent on restoring land that had been damaged by flooding and salt deposits. Environmental problems resulting from irrigation projects had been unavoidable in some cases because, Mr. Grenier said, government protocol and language barriers had prevented CIDA from gathering enough information beforehand to determine possible environmental effects. Governments of developing countries "have sovereignty and they run the country the way that they want. So most of the time we have to rely on data provided to us by the local [government] people. Also, there's the language problem," he said. CIDA now recognized that it was a mistake to exclude the farmers in affected areas from discussions, he said, and had adopted new approaches to help avoid future agricultural failures in developing countries, including:

- Increased spending over the following two to three years of \$26 million at a grassroots level to train and support local people who would be managing irrigation systems;
- The development of a procedure to judge the environmental impact of its irrigation projects;
- Collecting data from local people, through household level surveys, before granting aid money for important agricultural development (*Globe and Mail*, February 12).

African Aid

Stephen Lewis, Canadian ambassador to the UN, told an Ottawa Canadian Club audience on February 18 that Africa would be in "a state of endless poverty" unless the international community stepped up its financial aid. Mr. Lewis said that nine months after the UN's 5-year recovery program had been established to put approximately \$11 billion into African famine recovery over the following five years, most nations were withholding financial support. In addition, the ambassador said, Africa's \$150-200 billion debt load would have to be forgiven by members of the Organization for Economic Cooperation and Development "in an act of decent international behavior" (*Ottawa Citizen*, February 18).

For the Record

(supplied by External Affairs Canada)

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Moving toward mideast peace

by Habib Massoud

Ever since the deadlocked results of its parliamentary election in 1984, Israel has been governed by a precarious coalition of the socialist Labour Party bloc and the conservative bloc of the Likud Party. Under an accord signed between Labour leader Shimon Peres and Likud leader Yitzhak Shamir, Peres served as the Prime Minister and Shamir was the Foreign Minister for the first half of the life of the coalition. In November of 1986, the second half of the expected term of the government began with the two principals switching jobs; Shamir as Prime Minister and Peres as the Foreign Minister.

The coalition was formed during a very unsettled time in the Middle East and a critical period in the peacemaking process between Arabs and Israelis. Although on the surface the Arab-Israeli conflict may appear to be stalled with little prospect for a resolution in the foreseeable future, there has been slow and steady progress made between the more moderate Arabs and the Israelis towards the resolution of their differences. This movement has been towards an obvious or "natural" solution to the disputes which has been self-evident to other countries which do not have an interest in the dispute (e.g., Canada).

This article will argue that both sides to the dispute recognize that the course that they are on will lead them to this "natural" solution. The debate within each camp now is not whether they should continue on this path, but at what speed and with how much enthusiasm. Finally, the article will conclude that Israel controls the progress of the talks. If the Israeli leaders are not enthusiastic for dialogue with the Arabs, progress towards the "natural" outcome will be slow. If, however, Israel actively courts the Arabs, then a lasting peace in the Middle East will be closer at hand. The nature of, and the ideological interaction within, the Israeli coalition government therefore has a direct and major influence on the progress of Arab-Israeli negotiations.

Going it alone

After the Reagan administration came to power in the United States in 1981, the US government ceased to act as a peace broker between the Arabs and the Israelis and did not pressure either side to advance the peace process because it regarded the conflicts of the Middle East in the context of a wider East-West conflict pitting them against the Soviet Union. The Reagan administration did not see Arab-Israeli conflicts as regional disputes and therefore failed to provide the traditional American prodding that in the past brought the two adversaries to the negotiating table. It therefore became incumbent on the parties to the

dispute to try to resolve their differences without the active help of the Americans.

In Israel the Labour Party was anxious to take up the challenge because they felt they had the appropriate mix of flexibility and toughness to deal with the moderate Arabs. Likud, after 1980 when it still held government alone, did not seem to be in any great rush to court the Arabs. After Peres assumed the Prime Ministry of the coalition government in 1984, he resolved to take the initiative in the Middle East which the United States had failed to assume. He actively courted moderate Arab leaders in an effort to get a tentative peace process moving. Late in his term, Peres met an unspecified number of times in more or less secrecy with Jordan's King Hussein, he met in more or less openness with Morocco's King Hassan and he warmed the so-called "cold peace" with Egypt by reinstating ambassadorial level relations. Peres's actions were a significant event in a long-standing, slow-moving effort to reconcile the differences between Israel and its Arab neighbors and to bring some measure of lasting peace to the region. The question that must now be asked is: have Israel's overtures to the Arabs gone for naught now that Peres has been replaced as Prime Minister by his more hardline, intransigent coalition partner? Or can Labour's overtures to its moderate neighbors continue in some form despite the trepidation of Likud. To answer these questions, one must examine the accomplishments of previous peace efforts.

The accomplishments

Until the "Yom Kippur" war of 1973, Arab-Israeli relations were marked by insults and shouting matches, occasionally interrupted by war. Since the war of 1973, however, Arabs and Israelis have made peaceful overtures towards each other through intermediaries, sometimes openly, sometimes not so openly, in an effort to find common ground.

Former Egyptian President Anwar Sadat's trip to Jerusalem in 1977 and the subsequent agreements that followed can now be dismissed as, if not a failure, then at least a temporary blip in the history of the peace process. Although, on the surface, this may seem as a rather bold suggestion, a reexamination of history shows that Sadat's efforts did not achieve the momentous breakthrough for regional peace that many had hoped for. All it did was show Egypt's frustrations with the situation of no-peace/no-war

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that had prevailed since the creation of Israel in 1948 and openly proclaimed her willingness to accept the fact that the State of Israel was here to stay and therefore one should try one's best to get along with it. Sadat's efforts, in comparison to the slow process of reconciliation that has been going on for a number of years, is analogous to the children's story of the hare and the tortoise.

The Sadat mission seemed to swiftly make great gains while in fact it did not advance Israeli-Egyptian and Israeli-Arab relations more than the stage they would have reached by now anyway. Further, any gains that have been made under this process have been, at best, tenuous. The slow and tedious efforts by Israel and other moderate Arabs, however, have slowly and steadily covered ground. Their accomplishments have been solid.

"Natural" solution

Following the Arab-Israeli wars of 1967 and 1973 the UN Security Council passed Resolutions 242 and 338 respectively. The Resolutions called for Israel to withdraw from territories it occupied and recognized every state's "right to live in peace within secure and recognized boundaries" and called for a "just settlement of the refugee problem" in reference to the Palestinians.

In light of these resolutions and in an effort to be evenhanded, many disinterested countries have balanced the views of the Israelis and the Arabs and have proposed what would seem to be a "natural" or obvious solution to the Arab-Israeli conflict. Canada's position on the Middle East is a fairly good example of this "natural" solution.

Canada has supported UN Resolutions 242 and 338 and has called for Israel to withdraw from all lands it occupied in the 1967 war, as well as asserting Israel's right to live within secure borders. Canada has also said that any lasting peace must take into consideration "the legitimate concerns of the Palestinians." Canada's delegation to the UN told the General Assembly in July 1980 that the Palestinians were "entitled to political self-expression in a defined territory." Canada has always maintained that that form of "self-expression" should be determined by negotiations among all the concerned parties, including the legitimate representatives of the Palestinian people. Although Canada has never publicly and openly accepted the PLO as the voice of the Palestinian people, it has maintained low level contacts with the group in the recognition that the vast majority of Palestinians have pledged their allegiance and support to it.

In short, Canada, and most of the rest of the disinterested countries, advocate a "land for peace" solution to Middle East conflicts whereby Israel gives up all territories captured in the 6-day war of 1967, and a Palestinian homeland would be created on the Gaza Strip and the West Bank in some association with Jordan (presumably a federation or confederation). In return the Arab countries would recognize Israel's right to secure borders as existed before the 6-day war of 1967 and would refrain from attacking its cities and people. The only question this "natural" solution does not solve is the status of Jerusalem.

Shrinking differences

Both the Israelis and the Arabs seem to have implicitly accepted that the "natural" solution will ultimately be the

outcome of any protracted negotiations. The moderate Arab states have all but openly said that the State of Israel is here to stay, while the radical Arabs have quietly accepted that they will never "drive Israel into the sea." The moderate Arabs have demonstrated their positions by meeting Israeli leaders more or less openly. None would go so far as to meet the Israelis in a blaze of publicity as Anwar Sadat did in 1977, but Jordan's King Hussein has never denied frequent reports that he meets the Israelis secretly and Moroccan King Hassan, while not meeting the Israeli Prime Minister before the cameras of the world's television networks, did allow his meeting with Prime Minister Peres in 1986 to be publicized. In other words, these monarchs and the Egyptian government have developed a *modus vivendi* with the Israelis.

Radical Arabs have signaled their implicit acceptance of Israel by never denouncing the Jordanian monarch's "secret" contacts with Israel and by offering only half-hearted denunciations of the Moroccan King's public meeting with the Israeli Prime Minister. The case of the PLO is even more revealing. William Quandt, in his book *Camp David: Peacemaking and Politics*, reports that PLO chairman Yasser Arafat told the US government in the mid-1970s that he would be willing to recognize the State of Israel if it in turn recognized the PLO along with a homeland for the Palestinians (both of which are an integral part of a "natural" solution to the conflict).

This implicit acceptance of Israel was expressed as directly as anything implicit could be expressed at a meeting of the Arab League at Fez, Morocco, in September of 1982. In a proposed plan for peace put forward by Saudi Arabia, which is one of the moderate Arab states, a section proposed that "the right of all countries of the region to live in peace should be affirmed." What this statement does not say is more important than what it does say. It deliberately did not say that Israel (which is, after all, one of the "countries of the region") did not have a right to exist or that it was an "illegitimate entity" (which is what Arabs have often said about it publicly).

At the Fez Conference the resolution was later modified to appease the radicals such as Libya and Syria. In its modified version it called for the UN Security Council to provide "peace guarantees" to "all states of the region." The resolution, despite modification, still did not refer to Israel as an "illegitimate entity," and it did not imply that Israel should not be or was not one of the "states of the region" which should enjoy peace. Naturally the Saudis denied that the resolution implied any acceptance, much less recognition, of Israel, but in the Middle East what is not said is often as important as what is said.

Quandt reports that the Israelis were willing to negotiate in Geneva with low level representatives of the PLO as long as they were not well known members of the organization and they were part of the Jordanian delegation. Quandt was led to believe, in his dealing with the Israelis, that under the right conditions and with acceptable guarantees, they would recognize that the problems of the Palestinian refugees could never be completely resolved without the involvement of the PLO as the sole and legitimate representatives of the Palestinian people.

Bargaining positions

There is therefore a recognition by the Arabs that Israel will not simply go away and that it must be dealt with. Similarly, Israel recognizes that the Palestinian problem and the PLO will also not simply go away and that if there is ever to be any lasting peace in the Middle East it will have to be on a "land for peace" basis. In short, both sides have implicitly accepted that the only possible solution to their conflict is the "natural" one.

Like any good haggler in a Middle Eastern souk, however, neither side will openly express its acceptance for fear of giving away its bargaining position to the other side. Rather, each side will outwardly appear to be intransigent and ideologically pure during negotiations in an effort to make the other side give up something above and beyond the "natural" outcome, as any shopkeeper in a souk would do with a customer. Some have interpreted this intransigence as evidence that both sides fear peace (e.g., James Kadyampakeni, "Arabs and Israelis Fear Peace," in *International Perspectives*, November/December 1986). This would, however, be a superficial analysis of their positions. The two sides do not fear peace, they fear a bad negotiating posture. The attitude of both the Israelis and the Arabs is that they should take a strong position now in order to support the negotiating teams when the formal talks ultimately begin.

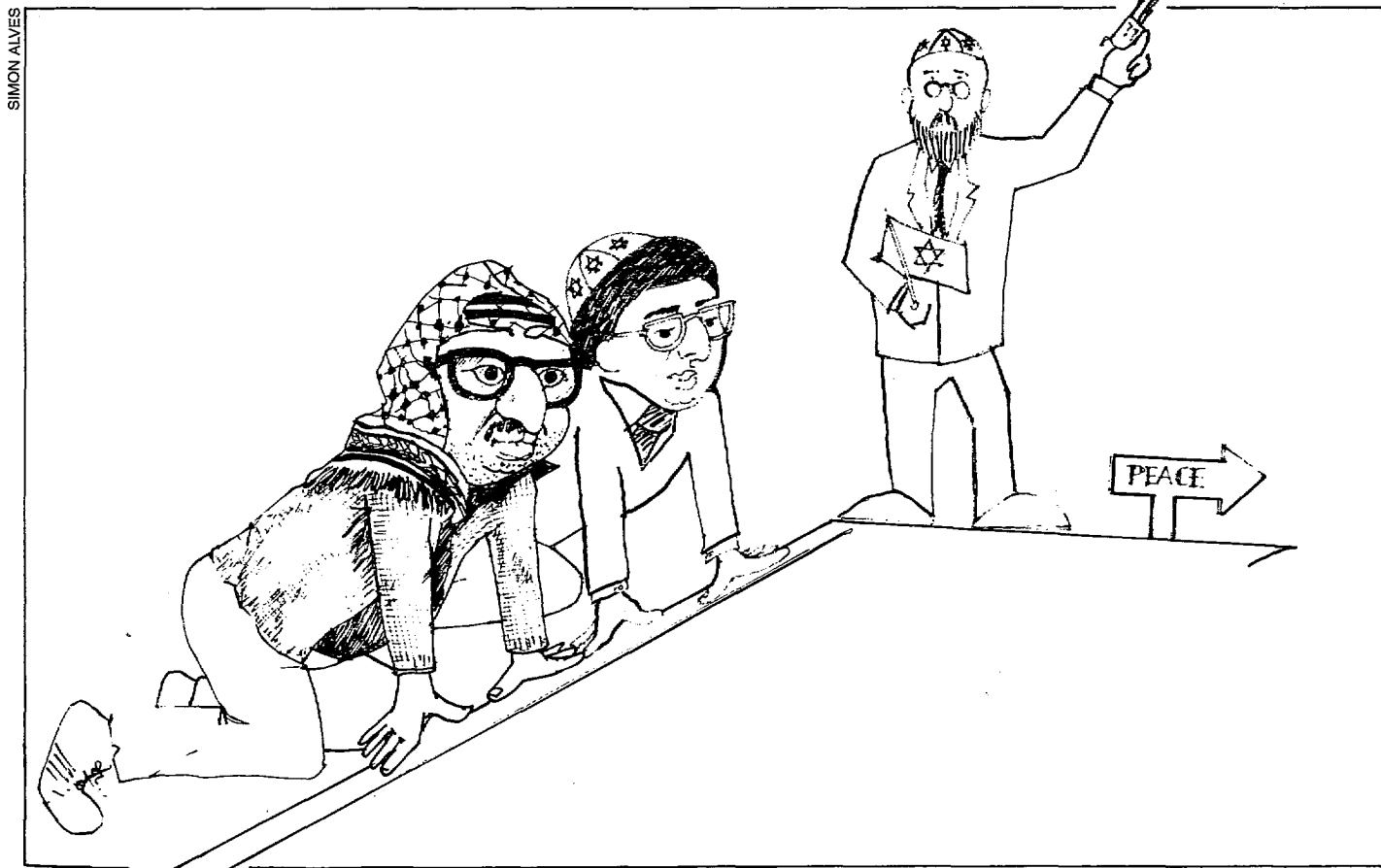
The debate within both camps has therefore evolved from one of whether one should wage war or negotiate, to a

question of how the negotiations should proceed and what could be conceded and at what price. The debate between the moderates and hard-liners in the Arab camp is over how quickly and in what form they should signal their acceptance of Israel and what would be the nature of the Palestinian homeland that would result from the negotiations.

The debate within the Israeli camp is the more interesting one, however, because it is the Israelis who control the pace of the negotiations. The moderate Arabs are always ready and willing to meet with the Israelis because the quicker they are able to resolve regional conflicts the stronger their influence on the Arab world will be. The history of the region in the 1980s seems to suggest this. The longer Israel appears intransigent with the Arabs, the more the radical Arabs seem to be able to dictate the events of the region by stirring up frustrations and discontent among the population and by spreading their terrorist influence. The Israelis, on the other hand, have a significant military superiority in the region, a comparatively stable political system and a relatively developed economy. Because of their stronger overall position with respect to the Arabs they are able to dictate the pace of negotiations.

A question of price

Similar to the Arabs, the debate in Israel between the hard-liners, as represented by the Likud bloc, and the moderates, as represented by the Labour bloc, is over how to approach the negotiations with the Arabs. The Likud



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under Prime Ministers Menachem Begin and Yitzhak Shamir, before the coalition government was created in 1984, was not very interested in meeting Arab leaders or in trying to achieve a common ground with them. (Prime Minister Begin's meeting with President Sadat occurred on Sadat's initiative which Begin could not refuse.) Rather, it tried to consolidate its position to present a hard-line stance to the Arabs in any future negotiations. The most obvious symbol of this policy was the zeal with which the Likud government set up Jewish settlements on the West Bank. This they called "creating facts." The settlements were designed to make it difficult for any future Israeli government to give away the region without extracting a high price for it from the Arabs. In other words, the policy would be designed to try to achieve something above and beyond the "natural" outcome of any future negotiations with the Arabs. The Likud, then, while not being against a "land for peace" solution, is looking for a high price for it.

The Labour Party, on the other hand, is more readily willing to accept a "land for peace" outcome (or the "natural" solution). During his two years and two months as Prime Minister, Labour leader Shimon Peres actively pursued his Party's concept of the negotiations with the Arabs and actively sought out moderate Arab leaders. He was anxious to draw Morocco and Jordan into direct peace negotiations. He was mildly successful with Morocco by publicly meeting King Hassan and innocuously agreeing with him that peace between Arabs and Israelis would be a good thing.

Peres's efforts to entice Jordan's King Hussein were not as successful but he was able to reach an implicit understanding with the King on a *modus vivendi* between their two countries and to give Hussein a greater say in the day-to-day running of the West Bank. Peres also had some success with Egypt, enticing it to warm their cold peace, to restore cultural and tourist relations and to return an Ambassador to Israel.

When Peres and Shamir switched jobs late in 1986, it became apparent that Shamir, as Prime Minister, would not be as enthusiastic as Peres to pursue Arab leaders. This did not suggest, however, that Labour's desire for more active negotiations with the Arabs has been curtailed. Despite the fact that the Likud leader is now Prime Minister and the Labour leader is nominally his subordinate as Foreign Minister, there is reason to believe that Shamir will not be the predominant figure in Israeli foreign policy in the near future, and therefore negotiations with the Arabs may not slow down as much as they might appear to on first thought.

Peres's "win-win"

During his term as Prime Minister, Peres was very popular with the public. He gained a reputation for honesty, integrity and moderation. He was credited with the dramatic reduction of Israel's enormous inflation rate and for the return of her troops from Lebanon. Peres's popularity extended to his party where he demonstrated complete control with no serious challenges to his leadership. The same cannot be said for Shamir and the Likud bloc on the other hand. His party seems to be rife with factional infighting and there are many (including Housing Minister

David Levi and Industry Minister Ariel Sharon), who have openly expressed their desire to replace him as the leader of their party.

Foreign Minister Peres therefore seems to be in a much stronger position to dictate the coalition government's relations with the Arabs than does Prime Minister Shamir. He can continue to court the moderate Arab leaders even if it threatens the stability of the government, because if it were to collapse, it is safe to assume that Peres would benefit by winning the subsequent election and thereby forcing Shamir and Likud out of government. Peres's recent actions suggest that this is precisely what he is doing. Soon after Prime Minister Shamir said in Washington that Israel would not attend an international conference as is presently proposed because the Soviet Union would be involved, Foreign Minister Peres visited Cairo and pronounced Israel's support for an international conference involving the five permanent members of the United National Security Council, and including representatives of the Palestinian people, if the Soviet Union restored diplomatic relations with Israel.

Peres's contradiction of Shamir and his willingness to risk the collapse of the coalition represents a win-win option for Peres. His gambit could result in an international conference which in itself would be regarded as a success for Peres. (Should the conference actually produce substantial results it would again be Peres who would be credited for this additional success, while Shamir would be regarded as an intransigent warmonger for resisting it.) If Peres's gamble results in the collapse of the coalition government, the Labour leader could increase his popularity in the subsequent election campaign by arguing that he was willing to take risks for peace and to work to resolve the conflicts of the Middle East while maintaining Israel's interests. He could further argue that it is Shamir who is standing in the way of attempts to resolve the disputes. Peres would therefore feel confident that the Labour bloc would win enough seats in the Knesset to govern without Likud. He could then work towards a Geneva conference, as the Israeli Prime Minister, without the resistance of a reluctant coalition partner.

The net result of Peres's gambit in February of this year therefore will probably be a return to active negotiations between Arabs and Israelis towards a "natural" solution on terms dictated by Peres either as the Foreign Minister who circumvented Prime Minister Shamir or as the Prime Minister of a government made up only of the Labour bloc of parties. Either way the Middle East should be prepared for an increase in negotiating activity between Arabs and Israelis sometime in the near future, probably at an international conference involving the Soviet Union. The questions that remain unanswered concern the speed at which the increased activity will occur, how enthusiastically the various factions in the Arab world will greet it and whether the United States can overcome its ideological resistance to the introduction of the Soviet Union into the conflicts of the Middle East in order to permit it to participate actively in a Geneva conference. □

Cambodia in isolation

by Jean Lash and Timothy Stone

The plight of the Cambodian people had settled into obscurity when memories were jogged by *The Killing Fields*, a film which depicts the Khmer Rouge period in Cambodia from 1975-79. The horrors of the film are not exaggerated. Our Khmer friends in Phnom Penh wept when shown the film, and every one said "but of course you realize it was much worse." Yet the film does not cover the aftermath of never-ending war, insecurity and continued suffering.

This article looks at the predicament of the Cambodian people inside the country today, from a Canadian perspective, and attempts to demonstrate that the policy towards Cambodia currently supported by Canada promotes neither regional security nor the prospect of peace in Indochina. The policy runs counter to Canada's stated objective of a political settlement that ensures the right of the Cambodian people to determine their own future free from outside interference. Canada could take steps to alleviate the impact of the present stalemate on its principal victims, the Cambodian people, and could promote more creative attempts to solve the problem.

The struggle for control over Cambodia entered its current phase in 1978, with the invasion by the Vietnamese army, the overthrow of the Khmer Rouge regime, and its replacement by a pro-Vietnamese government in Phnom Penh, the People's Republic of Kampuchea. Since then, Cambodia has been the site of unresolved international tension and military struggle.

While having no direct stake in the conflict, Canada contributes to the stalemate by supporting the policy of China, the Association of Southeast Asian Nations (ASEAN) and the United States. Non-recognition of the government in Phnom Penh, diplomatic and economic isolation of both Cambodia and Vietnam, aid to refugees on the Thai-Cambodian border, and political support for the Cambodian resistance are key elements of this policy. This position, it is claimed, will force Vietnam to withdraw its some 160,000 troops from Cambodia and give up its domination of the country.

Vietnam war casualty

Modern Cambodia's problems go back to 1970 and the overthrow of Prince Norodom Sihanouk by General Lon Nol, a supporter of American military policy in Vietnam. The subsequent tolerance by the new regime of American and South Vietnamese attacks on Vietcong bases in Cambodia swept the country into a savage war. Cambodia was bombed more heavily than any country in history, a factor which strengthened the resistance movement. In April

1975, Phnom Penh fell to the communist Khmer Rouge, whose radical domestic policies caused mass starvation and destruction of the economic and social infrastructure. Up to two million people perished from hunger, disease and execution.

The world learned of the depravity and waste of the Khmer Rouge period from thousands of refugees appearing on the Thai-Cambodian border in 1979. A massive international emergency program was mounted inside the country and on the border. However, by 1983, aid to Cambodians inside the country slowed to a trickle because of donors' objections to the 1978 Vietnamese invasion and continued "occupation." The People's Republic of Kampuchea has never gained recognition from its Asian neighbors, the West, or the United Nations General Assembly. Representation in Phnom Penh, outside the Soviet bloc, is limited to India, a few UN agencies and a dozen European and US non-governmental organizations (NGOs).

The lack of recognition means an almost total denial of assistance through normal aid channels. Neither the World Bank, the International Monetary Fund, the Asian Development Bank, nor most UN agencies provides aid. There is no money to rehabilitate irrigation canals or repair city water and sewage systems; several provinces remain inaccessible by road; health care remains deplorable, with the number of children dying before their first birthday among the highest in the world.

The sides

Essentially, the conflict over Cambodia is between Vietnam and its ally the People's Republic of Kampuchea, and China and its ally the Khmer Rouge. The Khmer Rouge dominate a shaky alliance, the Coalition Government of Democratic Kampuchea (CGDK), with two non-communist nationalist resistance groups and Prince Norodom Sihanouk as its nominal head.

Vietnam and its Cambodian ally receive military and economic aid from the Soviet Union while the tripartite alliance is supplied with arms from China. The United States has made non-military and token military contributions to the non-communist forces of the resistance.

Canadians Jean Lash and Timothy Stone were based in Phnom Penh, Cambodia, from May 1983 to September 1986 with an international aid agency. Jean Lash worked in the fields of women in development and childhood disability and Timothy Stone in nutrition and food production. They are now based in Mali.

Thailand, which has a historical mistrust of Vietnam, permits the resistance forces to establish bases on its territory and uses its army to expel Vietnamese troops when they pursue their enemies into Thailand. Thailand is supported by all members of ASEAN in its unequivocal opposition to the Vietnamese-backed regime in Phnom Penh.

Cambodia or Kampuchea?

The name of Cambodia was changed in 1975 to Democratic Kampuchea by the Khmer Rouge. In 1979 it became the People's Republic of Kampuchea. The resistance has established itself as a government-in-exile and calls itself the Coalition Government of Democratic Kampuchea. But the name Cambodia is widely used, including by Cambodians themselves when speaking to others.

Neither side, fighting a guerrilla war in western Cambodia, has been able to gain and maintain the upper hand. The outside parties have been able to help their allies avoid defeat while keeping the war limited and stable. The morale of Cambodians caught in the middle of this interminable power struggle is strained. Said one expectant mother in Phnom Penh, "I want a girl. Boys only grow up to be soldiers."

Isolation a failure

From our perspective in Phnom Penh, it appears that the policy of isolation is not having the intended effect of forcing Vietnamese withdrawal. In spite of the stalemate the Phnom Penh regime is developing an economic and political presence in most of the country. The tactics of the coalition guerrilla forces create enough insecurity to hamper progress, but they do not prevent gradual development.

Visitors to Cambodia are astonished at the level of recovery that has taken place. Phnom Penh retains an underlying beauty and on Sunday the streets are alive with people sporting their best clothes, bicycling or strolling along the banks of the Mekong. Many visit the restored Royal Palace where they pay homage to a sacred bull found in a farmer's field in 1983. The discovery, it is believed, augurs peace.

A bureaucracy to support a political and economic infrastructure throughout the country is being rebuilt and services such as the post office work reasonably well. A Cambodian refugee in Ottawa said that it took only one month for a letter from relatives in a remote north eastern town in Cambodia to reach him.

The country exports small quantities of rubber, wood, silk, ginger and soya, primarily to Soviet bloc countries. In spite of the serious shortages of raw materials and spare parts, factories are gradually being re-equipped, and can produce limited quantities of textiles, pottery, glass, cigarettes, phosphate fertilizer and pharmaceutical products.

A network of hospitals and health centers has been re-established, and in spite of the lack of equipment, materials and experienced health workers, progress has been made. A vaccination campaign against six major childhood diseases covered 88 percent of children in the province surrounding Phnom Penh, a considerable achievement for any

developing country. Popular demand for education in 1979 resulted in the rapid restoration and expansion of the school system. Villagers themselves financed the rebuilding of primary schools throughout the country and today almost all children aged 6 to 10 are enrolled.

Some progress

The Fifth Party Congress in 1985 officially recognized small scale private commerce as a legitimate complement to the state economy. Roadside stands sell everything from gasoline and cigarettes to prepared food. Hairdressers, tailors, garages, and souvenir shops flourish. A wide range of food and consumer goods is available in the burgeoning private markets. Many residents of Phnom Penh have spare cash for luxury items such as cassette players, televisions, motor bikes smuggled from Singapore, cosmetics and clothing from Thailand, and drugs from France.

The major indigenous religions, Buddhism and Islam, are permitted, though with some degree of state control. Buddhist pagodas are being rebuilt throughout Cambodia with private donations and the number of orange-clad bonzes is growing. Islam is the religion of the Cham, an important minority group which now has several mosques in and around Phnom Penh. The Christian minority, while not actively persecuted, has no churches and does not practise openly.

However, the consequences of the country's insecurity cannot be ignored, nor can the economic and psychological strains of over eight years of guerrilla war. Civilians are expected to contribute to the military effort and are conscripted on short notice for three to six months to clear brush on the Thai-Cambodian border in order to discourage infiltration by the resistance.

Effects of isolation

During our time in the country, we came to see how deeply concerned were ordinary Cambodians over the effects of their isolation, now in its twelfth year. Inexperienced technical ministries and provincial governments rely heavily on a handful of competent people, almost all of whom were trained prior to 1975, and who are overwhelmed with responsibilities. These people have decided to remain in Cambodia in spite of the lure of a more comfortable life in France, Canada or the United States. Explaining why he had not left, one said, "I am working for the good of my people — and I know who would replace me." But they feel abandoned.

The technical knowledge and skills of those trained in the 1960s and 1970s is becoming more and more out of date. Cambodians have increasingly restricted access to Western technical information and often are forced to rely on outdated methods or inappropriate models from Eastern Europe. Nurse training is still based on modules prepared in the 1960s for the French curriculum. It covers rickets, virtually non-existent, while the common problem of anemia among pregnant women is ignored. Provincial agricultural technicians have been sent to the Soviet Union to study mechanized rice production, when the problems of maintaining imported machinery in Cambodia would be insurmountable, not to mention the lack of foreign exchange to buy fuel, pesticides and chemical fertilizers. The problems of rice production in Cambodia are water control and the health of draft animals.

Said one very discouraged person who had been trained in the West in the early 1970s, "We feel like we are stuck at the bottom of a very deep well." The sad irony is that the policy of non-recognition could have the opposite effect to the stated objective — the longer the isolation continues, the more difficult it will be for the Cambodian people to stand on their own.

Impaired intelligence

Isolation also means a lack of reliable first-hand reporting on developments in the country. Western embassies in Bangkok receive only second-hand information. Consequently, issues that are not fully understood tend to be blown out of proportion or misrepresented, creating suspicion and hostility among outsiders. An example is the language issue which is often used as proof of the "Vietnamization" of Kampuchea. No foreign languages are taught in primary school, and secondary school is taught in Khmer. Yet some critics persist in the belief that all education is in Vietnamese.

Foreign languages are used for technical training and reflect the language of the trainers — Russian, Spanish, German, Vietnamese, Laotian and French. After 1979, Vietnamese was the language of instruction at the Medical Faculty. However, in 1985, after a long debate, it was replaced by French for the training of doctors because most of the available teaching materials were in that language. A team from the Alliance Française in Paris was invited to teach at the faculty on a full-time basis.

Russian is the language of instruction at the national agricultural college. Students studying technical subjects abroad are being trained in at least five languages, making cross-sectoral communication more and more difficult. The issue is not "Vietnamization" of education in Cambodia, but the fragmentation of language in technical training.

Canadian decisions

Why should Canada become more involved?

There are at least three reasons. First, the international diplomatic confrontation, in which Canada has taken sides, is unlikely to resolve the problems of war and political deadlock. New approaches could be tried which would contribute to an environment more conducive to constructive dialogue. A change may be timely in light of recent political developments in Vietnam which signal a departure from the hard line.

Second, the Cambodian people, in whose interest Canada claims to be acting, suffer most from the stalemate. Canada, with its strong humanitarian tradition, could alleviate the suffering without compromising political principles or jeopardizing stability in the region. Accepting a large number of Cambodian refugees was a humanitarian response by Canadians to one part of the problem. Should it not be questioned why seven million others in need of assistance have, at our own choosing, been put beyond our reach?

Third, dependence on the Chinese and the Khmer Rouge as the real military strength in the opposition coali-

tion, is only a short-term expedient. Malaysia and Indonesia have expressed reservations about a strategy which, if successful, would weaken Vietnam's role as a buffer against Chinese expansion in the region. Also, recent signs of a Chinese-Soviet rapprochement would have regional implications if the two powers cooperated to maintain a communist government in Phnom Penh.

Canada supports the Cambodian resistance, a support that is manifested through Canada's vote at the UN for the credentials of the Coalition Government of Democratic Kampuchea. On an individual basis, Canada claims to dissociate itself from the Khmer Rouge, the largest faction in the coalition. Canada's justification for voting for the seating of Democratic Kampuchea in the General Assembly is that its withdrawal would amount to *de facto* approval of the Vietnamese "occupation" of Cambodia. While this position has allowed one of the most murderous factions in history to rebuild its political and military strength, it is unlikely that a change in Canadian policy now would contribute to a solution because of the hardened positions which have developed. Further, in today's economic climate it is unlikely that Canada would risk antagonizing the ASEAN nations, which represent increasingly important markets for Canadian services and manufactured products. This policy need not preclude other initiatives of a more practical and less contentious nature that could be taken immediately to alleviate the continuing suffering of Cambodians.

But first. . .

What could Canada do in the short term to reduce the impact of the stalemate on the Cambodian people and at the same time promote peace in Southeast Asia? Getting Canadian policymakers better informed on the regional issues and the problems faced by Cambodians would be an important first step. Fact-finding delegations of parliamentarians from Australia, France and Italy have visited Cambodia in recent years. The objectives of the missions were to update governments on the present situation, and to follow up on aid provided through national NGOs or UN agencies. The Canadian government and public would benefit greatly from the first-hand observations of a group of parliamentarians with particular interests in peace, security and development.

The Canadian government could support existing humanitarian efforts inside Cambodia through NGOs and international organizations such as UNICEF, as do Australia, Sweden, Belgium and the Netherlands. The Mennonite Council Committee (MCC), the American Friends Service Committee (AFSC) and World Vision International are NGOs that have worked in Cambodia since 1980 and have established innovative and effective projects. All three organizations depend on contributions from Canadians. MCC supports an Indian medical team in a provincial hospital, AFSC supports a rehabilitation center for disabled people in Phnom Penh and seven provinces, as well as small-scale irrigation works, and World Vision International initiated an effective primary child health care program that has been adopted by the city of Phnom Penh and four provinces with assistance from UNICEF and a French

With friends like Vietnam.

NGO. None of the contributions made by Canadians to these projects is eligible for matching grants from CIDA, while other NGOs have been discouraged from supporting projects because of the financial disincentive involved.

Educational needs

Another way to reduce the isolation of the Cambodian people would be to rebuild their technical capacity through training at specialized institutions abroad. Cambodian health personnel have attended courses in primary health care and malaria control in France, and technical institutions such as the International Rice Research Institute in the Philippines and Indian centers specializing in primary health care, have expressed interest in training Cambodians if funding can be arranged. To achieve this, Canada could work through UNICEF or through the NGOs.

By taking these small initiatives, Canada would be living up to its humanitarian reputation without jeopardizing regional stability and would be taking first steps towards badly needed "fresh approaches." For it is difficult to see how the years of isolation and retarded development, following a decade of war and destructive domestic policies, could lead to conditions conducive to the establishment of a functioning nation state, whether neutral, buffer or independent.

The Cambodians we know remain intensely proud of their culture and, regardless of their political persuasions, are dedicated to its preservation. But their options are limited. As one Cambodian in Phnom Penh summed up events since 1978, "When you are drowning, you are ready to accept the hand of anyone who will pull you to safety. . . . We are still drowning." □

Cambodian Dates

- 1864: France imposes a protectorate over kingdom of Cambodia.
- 1953: Cambodian independence from France.
- 1954: Geneva Conference on Indochina; Cambodian neutrality recognized.
- 1969: Secret bombing of Cambodia begins, with consequence of growing support for the communist guerrillas in Cambodia.
- 1970: Prince Sihanouk overthrown by his Prime Minister, General Lon Nol, who then receives backing of the US. US and Vietnamese troops invade Cambodia to root out Vietcong sanctuaries.
- 1973: US troops withdrawn from South Vietnam.
- 1975 (April 17): Phnom Penh falls to Khmer Rouge and country becomes Democratic Kampuchea.
(April 30): Saigon falls to communists.
- 1978 (December): Vietnam invades Democratic Kampuchea.
- 1979 (January 7): Establishment of current Heng Samrin regime, People's Republic of Kampuchea.
- 1983: Establishment of Coalition of Democratic Kampuchea.
- 1986: Closing of Thai refugee camp Khau-I-Dang in protest of slow resettlement of refugees in third countries.

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Probing the Caribbean

by Jim Guy

To many observers the Caribbean is a blurred regional reality consisting of hundreds of romantic islands stretching from southern Florida to South America. Others see it as elusive fragments defying the image of a regional entity — a political or economic form less than the sum of its parts. The pieces of the puzzle may interact but only on rare occasions do they fuse to portray a distinct political unity. At the United Nations, the Organization of American States (OAS) and in the councils of the Commonwealth the Caribbean governments germinate the impression of federal solidarity on certain international issues. But in reality, only cricket seems to unite them.

In direct contrast to this view, policymakers in Canada and the United States have ascribed a holistic perspective to the region — seeing only the forest and not the trees. In policy terms, albeit for quite different reasons both countries have attempted to construct an overview of the Caribbean as if, it were a coherent geographic, economic and political unit, struggling to express itself as a collective international personality.

Seen from North America

In the United States, the Caribbean Basin concept arbitrarily attaches the Caribbean archipelago to Central America. Since it was formally announced in February 1982 the Caribbean Basin Initiative (CBI) has been implemented as a geopolitical strategy to isolate and exclude leftist governments in America's backyard. The lion's share of economic benefits in this ostensibly "Caribbean" US policy has gone to Central America's El Salvador, excluding Cuba and Nicaragua, and most of the Commonwealth Caribbean. In effect the unique problems currently faced by many Caribbean countries — economic malapportionment, indebtedness, extreme poverty, and weak infrastructures — are not treated by CBI.

Historically, in the mind's eye of Canadian policymakers, the Caribbean is one place. Canada's interests in the Caribbean countries, however important they may have appeared from time to time, tend to reflect the concept of the Caribbean as a single regional entity. The relations are expressed as a nominal reference tacked on to a policy towards Latin America. While many have romantically referred to Canada's historic intimacy with the West Indies as a "special relationship," the economic side of Canadian ties (and in turn much of its foreign policy towards the region) is dominated by trade and investment opportunities throughout the Caribbean.

Neither of these images — the American or the Canadian — conforms to the realities of the area. In fact, the countries of the Caribbean are characterized by immense diversity. Cuba is as different from Trinidad and Tobago as is Portugal from Great Britain. Not only is the region diverse, but as Aaron Segal notes:

Within this scattered geographic expression, each mini nation-state sees itself as quite different from the others. Each country of the island Caribbean, notwithstanding differences in size, sees itself as a sovereign independent community — Jamaicans, Barbudans, or Grenadans who almost never describe themselves as West Indians. Geography has been a major contributing factor of fragmentation and has retarded efforts towards development and regional integration.

Locating the Caribbean

No accepted geographic definition of the Caribbean exists, making a coherent view of the region difficult to construct. What might be called the archipelagic definition pinpoints the Caribbean as an extension of the islands from the Bahamas southward to Trinidad and Tobago, eight miles off the coast of Venezuela. This island definition consists of twenty-two countries, comprising hundreds of islands of various sizes, with a total population of about twenty-eight million people. These islands share similar colonial experiences from their association with Britain, Denmark, the Netherlands, France and the United States.

A more inclusive definition identifies a "core-Caribbean," which distinguishes thirteen recently independent nation states with a total population approaching six million. Usually referred to as the Commonwealth Caribbean or the West Indies, these former British colonies maintain a Caribbean Common Market (CARICOM), with its secretariat in Guyana, a preferential trading area, the Caribbean Development Bank in Barbados, and a shared University of the West Indies with campuses in Barbados, Jamaica and Trinidad and Tobago. In 1968, a group of seven of these states established the Organization of Eastern Caribbean States (OECS) to promote economic cooperation, forge closer political ties and so set the stage for a

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United only by history

larger union of the West Indies. While this organizational superstructure presents the facade of a self-conscious region in pursuit of political unity, the Caribbean islands are not well integrated with one another. Local efforts to forge a supranational decision-making body have come to naught. Politically the so-called core-Caribbean faces many contradictory currents and the prospects for some sort of "pan-Caribbean" consensus grows dim as the islands' politicians move along divergent paths.

Another geographic definition comes out of Washington policy circles as that of the Caribbean Basin. The geographical rationale of the Reagan administration defines the Caribbean from the perspective of the Caribbean Sea shoreline. Some thirty countries with a total population of 150 million are included in the Basin concept. This permits the architects of US Caribbean policy to include the countries of Central America and the Basin states of South America with the flow of islands from off the Florida coast to Venezuela. The Caribbean Basin concept has little reality or meaning outside the United States where it has been used more as a strategic initiative of counterinsurgency to provide security assistance to certain countries in Central America. The tendency of the United States to view and respond to Caribbean problems within this wider Basin concept appears to have reduced its own credibility as a powerful neighbor concerned with the development goals of the island states.

Shared history

Yet another definition of the Caribbean focuses on culture as the common denominator in the region. Here, the Caribbean is identified according to broad similarities. This perspective acknowledges that there are cogent reasons for treating twenty-six countries (with a total population of thirty million people) as part of a single cultural area. For in their common colonial past, their institutional foundations, their achievement of independence, their racial, language and plantation histories, and their often parallel development processes, many of the countries of the Caribbean have had similar experiences. Four countries — Belize in Central America, and Guyana, Suriname and French Guiana in South America — share these commonalities with the twenty-two countries of the island Caribbean. Though the diversity of the area defined and the special features of each country are recognized, the common historical and social features are similar enough to warrant this broader geographical definition.

These confusing perspectives on just what the Caribbean is are reflected in the policies of the developed countries (in particular Canada and the United States) that control the patterns of trade and economic development in the region. Of all of the above geographic definitions the identification of the Caribbean as a disparate region of developing countries sharing common cultural histories would appear to be the most acceptable, not only for nation states that trade, invest and send aid but also to the Caribbean societies themselves.

The economies

The Caribbean was settled as a colonial area and exploited for the benefit of the mother countries. Under the economic conceptions of colonial times (mercantilism)

Caribbean countries existed to enrich Great Britain, France, Spain and the Netherlands. Much of the early wealth within the region was drained away to Europe where it contributed to the rise of capitalism. From the beginning, the Caribbean has been at the margins of the emerging world system of capitalist economies, with little of its own wealth used for internal improvement.

Historic economic patterns throughout the Caribbean have varied considerably, and these patterns still account for the differing socioeconomic configurations of the area. Thus today, Caribbean societies still remain riven by geographic, economic and political divisions that hamper both national and regional integration. But the great motor force of twentieth century change is altering the foundations on which Caribbean societies have rested. These are no longer the sleepy islands they once were; rather Caribbean societies are experiencing far-reaching economic and social changes.

While these changes are immense, the problems remain equally large. Poverty, malnutrition, and malnutrition-related diseases are endemic. Illiteracy remains high; much of the population is ill-housed, health care is poor and wages are low. Contributing to obstacles of economic development in the Caribbean are the growing burden of external debt, low prices for traditional exports such as bauxite, and the permanent decline of sugar as the economic mainstay of most Caribbean countries. Compounding the effects of these factors are declining consumption, world market prices below production costs, increasing competition from non-cane-based sweeteners and persistently low productivity and output in tropical agriculture.

The countries

These conditions of economic decline and uncertainty have altered the political order in many countries. Some like Grenada, Guyana and Suriname have from time to time rejected parliamentary democracy. In Grenada, the Bishop regime embraced Cuba as a model and ally, cultivated relations with the Soviet Union and openly denounced US influence in the Caribbean and Latin America. Grenada has benefited from massive US economic aid after the invasion in 1983 and the restoration of parliamentary democracy. Although democratic forces are now in place in Grenada, the economy remains weak and dependent upon the United States. The invasion may have actually intensified Grenada's external dependence in diplomatic, geopolitical, security and economic matters.

Elsewhere in the Caribbean parliamentary democracy has been under stress in response to economic decline. Like her island neighbors (Cuba and the Dominican Republic) Jamaica faces deepening economic hardship. During the violent and turbulent election campaign in 1980, Prime Minister Edward Seaga promised major economic reconstruction after Michael Manly and his People's National Party had brought Jamaica to the brink of bankruptcy and political chaos. However, few of Seaga's economic measures have produced long-term results. The Jamaican foreign debt of US\$1.7 billion inherited by Seaga from Manly has more than doubled to over \$4 billion. Given all this, Seaga's surprise announcement that he will retire from politics in August 1987 throws Jamaica into a state of political turmoil it cannot afford.

In Trinidad and Tobago the badly defeated Prime Minister George Chambers and his People's National Movement (PNM) lost almost all their seats in the country's 36-seat parliament in the October elections of 1986. His successor, A.N.R. Robinson and his National Alliance for Reconstruction Party (NAR), won power on the issues of general economic decline and widespread corruption. Trinidad, the only oil-producing country in the island Caribbean, squandered much of its foreign currency oil earnings through corruption and bad planning. High unemployment and inflation have engendered considerable discontent among the country's 1.2 million blacks, Lebanese, Europeans, Chinese and East Indians.

In Suriname, adverse economic conditions in the 1980s led to the replacement of a democratic coalition government by a brutal and repressive military dictatorship. And neighboring Guyana and its stagnant economy has suffered from the protracted dictatorship of Prime Minister Forbes Burnham and over twenty years of economic mismanagement.

Cuba

Cuba remains distinctive in the Caribbean for its socialist revolution clearly the most thorough in the history of the region. Before 1959 Cuba was not unlike many other Caribbean countries, although it did have historical economic peculiarities. What seems certain is that socialist Cuba and its collective approaches to economic and social management are here to stay. It is unlikely that the status quo ante 1959 will be seen again. The lesson of the Cuban revolution to other nations of the Caribbean and Latin America is that a determined people can break with the past and establish a new order. Basic economic rights — to eat, to have housing, to educate one's children — can be made available to all, albeit at the political cost of important liberal democratic rights usually enjoyed by the middle and upper classes. Yet, the greatest irony is that, after twenty-eight years of revolution, Cuba still faces the same economic difficulties. It is still the prisoner of its primary-product monoculture. The Cuban economy boomed from 1973 to 1975 when world prices for sugar were extremely high but has suffered economic decline since. Granted there has been some diversification, both in crops and buyers of exports, which has softened the valleys of the cycles. But economic uncertainty is more evident now than in the 1950s. Cuba is indebted not only to the Soviet Union and its east European allies but also to the Western banking system. The revolution has only compounded the economic dependence of this politically awkward Caribbean state.

Caribbean identity

The dying wish of British colonial experience in the island Caribbean was to create a West Indies Federation. A federation of ten island territories was indeed established in 1958. But the forces of national independence quickly eroded the spirit of federalism and by 1962 the new federal experiment was reduced to shambles. No agreement could be reached on a common market or a customs union, and member states did not permit people the freedom of movement from island to island. The federation did not have the power to collect income taxes and the political wills of Jamaica and of Trinidad and Tobago were extremely weak.

In 1961, Jamaica held a referendum on its continued membership in the federation. A majority of the Jamaican people voted for withdrawal and proceeded to independence on their own. Shortly after, the federation collapsed. Despite numerous alternative schemes for political union, a West Indian federation of states does not appear possible in the foreseeable future.

Today, nearly all of the English-speaking Caribbean countries have achieved formal political independence. The growth of nationalism has superseded regional identity. All countries have flags, national anthems, and a strong sense and expression of national distinctiveness. All (except Belize and Guyana, because of boundary and territorial disputes) are members of the Organization of American States. They all maintain embassies and missions abroad and support small domestic defence forces and paramilitary police systems. An increasing number of countries have built their own national airlines. With very few exceptions, survival is still widely seen as a national endeavor to protect sovereign independence and to compete for access to world markets by national industrialization policies.

Integration efforts

Turning from the sovereign aspirations of each nation to the wider dimensions of a regional Caribbean community, it is important to recall that the idea of integration has been bound up with questions of economic development. When the British federation was dismantled in the early 1960s, a number of regional institutions survived. Notably, one was the University of the West Indies, which through its Institute of International Relations has promoted the regional and integrative movement in the Caribbean. Other regional bodies, such as the Caribbean Free Trade Association (CARIFTA) and the Caribbean Development Bank, were established in the late 1960s. In 1973 CARIFTA was elevated to the status of a common market as CARICOM, the Caribbean Community and Common Market.

It seems logical with a group of small countries in close proximity to one another and sharing much in common culturally and linguistically that regional integration could be achieved through a common market. It was argued by some that a successful scheme of economic integration would inevitably result in a political union if CARICOM developed in a natural unfolding of events. But CARICOM has not contributed to regional economic solidarity in the manner anticipated. As the economies of most of these small states have weakened they have tended to break ranks and grasp at all forms of bilateral arrangements. To this date, the CARICOM treaty has been one of the least successful experiments of Caribbean integration and regional identity.

The Caribbean is still very much caught up in its movements of political consciousness and the assertions of national sovereignty, but it is not at all certain that a regional identity is totally absent. As the former Secretary General of CARICOM, William Semas, has said: "It does not require much perception to see that the West Indies peoples form one nation but are divided into several separate political jurisdictions (or States)." His premise is that a Union of the West Indies transcends economic considerations. The people of the Caribbean share one culture, the

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common attributes of which have created a common way of looking at life and at the world. This Caribbean *weltanschauung* is the basis for creating a political union of over five million people, with a customs union, a single currency, a single exchange rate, and a single foreign policy.

No quick conclusions should be drawn about the dynamics of cultural and political identification. The Caribbean region is undergoing profound changes — socially, economically and politically. There is a recognizable cross-national movement seeking to devise new institutional arrangements to manage the complex transformations under way. Modernization, urbanization and the “revolution of rising expectations” are having notable effects, altering old political relationships and forging new ones. While local institutions and holders of power remain strong, regional forces of identity are sweeping the area.

Caribbean in a world of protectionism

While Caribbean states have gained a large measure of preferential treatment in developed countries, particularly Canada and the United States, complete access to these markets still remains restricted. In Canada, a new policy announced by Prime Minister Brian Mulroney in February 1985, known as *Caribcan*, which allowed the Caribbean islands to export more of their goods duty-free into the Canadian market, has been widely criticized by West Indian leaders. The Caribcan proposal is a wider extension of preferential, one-way, duty-free trade, ostensibly in favor of Caribbean exports to Canada. However, to the disappointment of Caribbean prime ministers there will remain exceptions on dutiable products that continue at rates of duty agreed to under the British Preferential Tariff. The duty was not removed from textiles, clothing, footwear, luggage, handbags, leather garments, lubricating oils and methanol. These are the products Caribbean exporters have been pushing to sell in North America because the islands possess the technology and plants to produce them in large quantities. While most Commonwealth Caribbean exports to Canada enjoy duty-free access, Caribcan nevertheless functions to protect local Canadian industries by having eight product categories exempted and does not offer tax credits or other incentives to Canadian companies investing in the West Indies.

In the United States the central feature of the Caribbean Basin Initiative (CBI) is also a one-way free-trade area providing duty-free access to the US market until January 1, 1996. However, as in Canada, protectionists were successful in having seven product categories excluded from the CBI. The exceptions are: apparel, canned

tuna, footwear, some leather products, petroleum and its products, textiles, and watches if parts are imported from communist countries. Other products such as sugar and rum are eligible for duty-free treatment up to certain quota limits. Under CBI any product can be removed from eligibility if the United States International Trade Commission decides that domestic industries are injured.

Inward and outward diplomacy

The ability of the fragmented economies of Caribbean countries to avoid, offset and otherwise reduce protectionism is quite limited. Fearful of inviting more severe restrictions, and lacking the capacity to retaliate, most Caribbean states have not antagonized their developed trading partners. To a great extent Caribbean economies have learned to accommodate themselves to persisting trade barriers by reducing or sustaining their levels of exports and using quiet diplomacy to re-penetrate protected markets. Despite the opportunity of duty-free access into the markets of the developed economies of Canada and the United States, a more vigorous diplomacy on the part of Caribbean states is required to stop the practice of using non-tariff measures to offset tariff concessions. Giving the existing trends in protectionism, it is important for traders in the Caribbean to focus more attention on the diplomatic end. This would involve the creation of a unified regional negotiating platform to enhance bargaining positions with the developed countries. A common regional negotiating platform could be constructed under CARICOM, which would permit Caribbean countries to negotiate as a bloc with Canada and the United States.

In the remaining years of the 1980s, Caribbean states will have to develop their skills in trade diplomacy inwardly and outwardly at the same time. The strategy, however, can only be successfully implemented at the regional level. This means that in order to become less dependent on decision-makers far from their shores, Caribbean leaders will have to develop more interdependence as regional trading partners. Inward-outward looking trade strategies can become the engines of growth, affecting the rate, structure and character of economic development. This involves blending the alternative ideological prescriptions of the North-South dialogue, the South-South dialogue, and UNC-TAD's Substantial New Program of Action. Such alternative trade strategies may be the forces for international and domestic equality. They can favorably alter the distribution of income and wealth within the Caribbean region as well as attacking underdevelopment. And not least, their international bargaining power can be greatly enhanced by a diplomacy based on an inward-outward perspective. □

Book Reviews

Misunderstood security

by Peyton V. Lyon

Canada and Collective Security: Odd Man Out (Washington Paper No. 121) by Joseph T. Jockel and Joel J. Sokolsky. Washington: Center for Strategic & International Studies, Georgetown University, 1986, 118 pages, US\$9.95.

"Collective security" was conceived, and embedded in the League Covenant and the UN Charter, precisely to advance mankind beyond reliance upon alliances. Despite its failure, it continues to evoke a warmer response than "alliance" or "collective defence." In consequence, apologists for NATO frequently misuse the "collective security" label to improve the image of the alliance. Professors Jockel and Sokolsky, as professing political scientists, have no excuse for doing so. This misuse, however, is a foretaste of further confusion and misleading rhetoric.

Professor Jockel is an American long interested in Canada's military affairs. Professor Sokolsky is a Canadian who, before his return, studied and taught in Washington — perhaps too long. Their polemic restates authoritatively the familiar dirge about Canada's undernourished, over-committed defence forces. They then advance an action program that betrays infuriating ignorance of NATO politics and Canadian sensibilities. Should their arrogance come to prevail in Western capitals, notably Washington, Canada's departure from the alliance should be prompt.

Of all NATO members, Canada is the most voluntary — the best positioned to take a free ride. Willy-nilly,

the United States is bound to protect us. Moreover, even if we were to double our defence effort, it would not significantly affect the global balance of power. So why not opt out of NATO? Or at least drastically cut our armed forces?

Mainly it is because we are not that kind of people. Having fought from the start of the two great wars for civilization waged in this century, and sacrificed a much heavier proportion of our manhood than did our neighbor to the south, we need not blush when Jockel and Sokolsky repeatedly accuse Canada of "shirking" because the United States now bears a greater share of the defence burden. Much of its expenditure, moreover, is for arms and adventures that most Canadians deplore.

NATO membership is worthwhile because it provides Canada with its one serious opportunity to deliberate the "destiny agenda," the issues that could determine our very survival. Canada, along with like-minded allies, is enabled to exert some influence over the behavior of the major powers in their dealings with the Soviet bloc. It is not sufficient, of course, to occupy a seat at the NATO table, or even to speak from a persuasive brief. Unless seen to be pulling its military weight, and observing the club rules, a member will be heard but not heeded. In terms of influence, what matters most is not that one's military activity make sense, but rather that it be what the allies most cherish.

For Canada, that is clearly a military presence on the central front in Europe to serve as a token of solidarity, especially with Germany, now our most valuable ally. Jockel and Sokolsky, astonishingly, advocate removing precisely these forces and deploying them on peripheral fronts in

Norway, Canada and the high seas. Moreover, while demanding a large increase in defence expenditure, they argue implausibly that there is no correlation between military contribution and influence in NATO decision making. Trudeau, they say, was right to believe that Canada could maintain its voice at half the price in military exertion. Tell that to our diplomats!

Why then do the authors think Canada should increase its share of the defence burden? They are reduced to arguing that Canada is now "riding almost free," "just barely on the bus," and "shirking." We must be shamed into adopting their program! And if we refuse to be shamed, they advocate that we be penalized by exclusion from a number of key NATO committees and exercises — the first such punishment meted out to any member in NATO's 40-year history!

As John Halstead, former Canadian ambassador to NATO, comments in his charitable preface:

A sovereign government is unlikely to react well to a threat of "penalties" or "sanctions" . . . Apart from the fact that NATO does not work that way, it is not the way to deal with a sovereign and democratic government. The very suggestion of such a threat would be seen by other allies as setting a dangerous precedent and would have a totally counter productive effect in Canada.

This may not be the silliest tract ever written about NATO, or Canada's defence policy, but it comes close.

Peyton Lyon is Professor of Political Science at Carleton University in Ottawa.

A long neglected service

by John Gellner

The Creation of a National Air Force: The Official History of the Royal Canadian Air Force, Volume II by W.A.B. Douglas. Toronto: University of Toronto Press, 1986, 797 pages, \$39.95.

This is the second volume in this series. (The first, by S.F. Wise, *Canadian Airmen and the First World War*, appeared in 1980.) It goes further than the title would indicate. It does in fact, as the author, who is the Director of History at National Defence Headquarters, puts it, describe the "evolution" rather than the mere "creation" of the RCAF "as an institution." It also covers operations in the Second World War, but only those conducted by the home establishment. Volume III will then deal with the RCAF in the thick of combat overseas.

The story of the laborious beginnings of Canada's national air force are told in the first 151 pages of the book. It is the story of total lack of understanding of its purpose by politicians and much of the higher officialdom. A dictum by W.L. Mackenzie King, when he was Leader of the Opposition in the early twenties, was typical of that entirely negative attitude: "An air service for military purposes is the height of absurdity." If he, and others like him, changed their position in the late thirties, it was again for reasons of domestic policy, not because they saw a national security need for an air force.

So the RCAF started off on April 1, 1924, its official birthday, with a complement of 375 all ranks. Its tasks were equally modest and not really aimed at gaining a defence capability: the maintenance of a nucleus around which a military air force could grow if required; training; flying operations for other government departments. Internally, though, a wider, more professional view prevailed, and plans — since no more was possible — were made for acquiring the means, human and material, at least for home (primarily coastal) defence and, at a lower priority, for an expeditionary

force which at some point might have to be raised. Things went very slowly, though, mainly because of governmental parsimony. At the outbreak of the war, the RCAF, now numbering 4,000 and with thirty-two aircraft which could vaguely — very vaguely — be classed as of combat type, was incapable of performing any operational functions.

The real impetus for the tremendous wartime expansion of the RCAF to almost a quarter of a million all ranks and some eighty operational squadrons was given by the British Commonwealth Air Training Plan (BCATP). Again — and here the book makes outright thrilling reading — what moved the Canadian government was politics more than any military considerations. This is why it fought stubbornly, and ultimately forced upon a reluctant British, the inclusion in the final Agreement of a passage stating that the BCATP "would provide for more effective assistance towards our ultimate victory than any other form of cooperation which Canada can give." The idea was that if the organization and operation of this very large training scheme were accepted as Canada's main contribution to the common cause, there would not be the casualties in the thousands and thousands such as the Canadian Corps sustained in the murderous First World War battles in France. It would thus not come once again to a political crisis over conscription. How simple — and how wrong, as it turned out — the politicians were who calculated that way!

If the 150 pages devoted to the BCATP captivated this reviewer more than anything else in the book, it was because he experienced himself the Plan's very beginnings. He had the good luck to be among the first 229 (out of the first 3,000 applicants) selected for aircrew training, and this although he was a foreigner. He was also among the first thirty-seven graduates who sailed for England and the war in November 1940. As Dr. Douglas describes it so very well, at the start of the BCATP it was all improvisation but it worked: when it closed down after five years, it had turned out 131,000 graduates, 48 per cent of all Commonwealth aircrew trained during the war. It is an open

question, but a case could be made for its having indeed been Canada's greatest contribution to ultimate victory. That this was so was, of course, a miracle, brought on by Britain's admirable resolve under the Churchillian motto, "Very well, alone," and by Hitler's faulty grand strategy. A training scheme that turned out its first handful of fighting men fourteen months after the outbreak of hostilities would in our days be utterly unlikely to have any influence on the outcome of a war between major powers, even a conventional one.

The last two parts of the book deal with operations off the Pacific and Atlantic coasts, the former of little significance because of the absence of a serious threat, the latter very important because they involved protecting transoceanic convoys against packs of prowling German U-boats. Here again there was a lot of improvisation, yet ultimate success.

All in all, the book is a remarkable piece of work, not the least because of the author's insight into the background of the events described. Without spelling them out — which would be inappropriate in an official history — it also provides lessons for the future, mainly of what not to do, not ever again.

John Gellner, DFC, is Editor of *Canadian Defence Quarterly* in Toronto.

Little bankers versus big funders

by Brian Murphy

Africa and the International Monetary Fund: Papers presented at a Symposium held in Nairobi, Kenya, May 13-15, 1985 edited by Gerald K. Helleiner. Washington: International Monetary Fund, 1986, 277 pages, US\$10.00.

African nations have been outspoken on the role of the International Monetary Fund (IMF) in the debt crisis. This book edited by University of

Toronto economist Gerald Helleiner is the record of a conference where African bankers, IMF officials and their specialist "seconds" had it out. What they said was not new but the saying of it in public was.

African bankers feel they have been putting the screws to their own economies while receiving little sympathy from the international community, from the Western nations making the rules running the IMF, and from IMF officials themselves. The text shows African bankers are aware of their own past mistakes and the need for changes in planning and management processes. Helleiner says that the new attitude means it is time "to put to rest the unrealistic image of uncomprehending and perverse African macroeconomic managers who simply do not understand the gravity of their own problems."

Canadians have been prominent in the campaign to make the international community respond to the needs of a reform-minded Africa. Aside from Helleiner, University of Manitoba economist John Loxley used the Nairobi venue to outline recovery proposals geared to the specific needs of African economies. Many of the suggested reforms surfaced in a United Nations African recovery plan which benefited from behind-the-scenes arm-twisting by Canadian UN Ambassador Stephen Lewis. More recently former Canadian IMF Executive Director Morris Miller has echoed the Nairobi debate in his own report on the debt crisis contained in the book *Coping Is Not Enough*.

What will make the record of this Nairobi seminar of lasting interest is the revelation of bankers bad-mouthing each other in public. Banker after banker accused IMF officials of hostility, insensitivity, arrogance, and condescension. The speakers catalogued slights and abuses which seem to have occurred in that casual way common to the style of self-centered bureaucrats throughout history.

But the tenor of the debate over who is insulting whom tells as much about the depth of personal contradiction and angst experienced by African bankers in this period of painful realignment as does any particular

singling out of Africans by multilateral emissaries.

The main complaint was that the IMF staff had considerable leeway in application of IMF guidelines but that they were obsessively lumping all countries into one settlement process. IMF officials said they were, indeed, restricted by agency regulations. They said they had to deal with the reality of a multilateral entity in which the dominant chord was the traditional notion of diplomacy as articulation of national self-interest by its most powerful members, in this case the United States. They also implied African bankers were trying to deflect attention from their own poor record-keeping and management incompetence by launching personal attacks on the bearers of bad medicine.

No matter what the fault, this collection demonstrates that there is little respect left between economists on the front lines of the debt crisis. One wonders whether even the best intentioned reforms will be substantial and soon enough to prevent a shift to radical unilateral solutions presaged by the animosity and confrontation documented here.

Brian Murphy is Chief Canadian Correspondent in Ottawa, Inter Press Third World News Agency. His book, Globalbank: Information Technology and International Finance, will be published in early 1988.

A sphere of countries

by Tom Sloan

Countries of the World and Their Leaders Yearbook 1987 (two volumes) edited by Frank E. Blais. Detroit: Gale Research Co., 1986, 1606 pages, US\$115.00.

Did you know that the Minister of Justice and Religious Endowments of the Democratic Republic of Yemen is Abd-Wasi Salim, or that President

France Albert René administers eight of a possible thirteen portfolios in the government he heads in the Republic of Seychelles, or that the major ethnic groups in the Republic of Equatorial Guinea are the Fangs and the Bubis, and that the country's capital, Malabo, officially has a population of 34,980?

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Book Reviews

from two sources: the US State Department and the Central Intelligence Agency. The significance of the sources is twofold. This is not a work of independent research by independent authors. It is official. But for that very reason, neither is it a work where egregious errors about public facts are likely to be frequent. In general, it offers a workmanlike, reasonably non-tendentious, American-flavored package of information on the nations of the world. A look at the eight pages devoted to Canada revealed no startling mistakes, nor did a look at the

entries on other countries with which this reviewer is familiar.

Despite the "1987" on the cover, it would of course be too much to expect a compendium such as this to be totally up-to-date. The publishers make no such claim — except in the title. At the beginning of each entry, there is a date of reference indicating the timeliness of the information provided. In Canada's case, it is March 1985.

In addition to individual countries, there are sections dealing with health regulations, world climate,

passport and visa information and international organizations.

The introduction describes the work as a "one-stop reference source." That might be a slight exaggeration, but it isn't too inaccurate.

Tom Sloan is a freelance writer in Ottawa.

Letters to the Editor

Sir,

In the second paragraph of my article "Israel's Demographic Dilemma" (*International Perspectives*, March/April) I state that the Arab population of the occupied territories "may be augmented" by the return of "thousands" of Palestinian workers from the oil states. I would like to clarify that the policy of the Israeli authorities, in violation of international law, is to prevent the return of *most* of those Arabs from the territories who have gone abroad. Hence, these individuals cannot be said to figure significantly in any present or future demographic changes in the territories.

H.J. Skutel
Montreal

Sir,

After my article "Eisenhower, St. Laurent and Free Trade, 1953" (*International Perspectives*, March/April 1987) went to press, the US government released Volume VI of the series *Foreign Relations of the United States, 1952-1954*. The volume is of more than passing interest because it contains the previously unavailable US account of the Eisenhower-St. Laurent summit meeting at which the Americans first raised the free trade issue in 1953. My discussion of that meeting was based on the Canadian report.

The US account differs from the Canadian record in one important respect. It states that President Eisenhower asked his Secretary of State, John Foster Dulles, to broaden a

study of the feasibility of a Canada-US joint economic board to include the impact of a free trade or customs union arrangement *during the meeting* (not afterwards as I had written). Although the Canadian participants reacted coolly to the idea of a free trade inquiry when Eisenhower brought it up at the session, the President's instruction to Dulles apparently eluded them. (The Canadian record contains no reference to it.) As my article indicates, Canadian officials did not seem to realize until several days after the meeting that the Americans actually intended to proceed with the free trade study.

Donald Barry
Ottawa

July/August 1987

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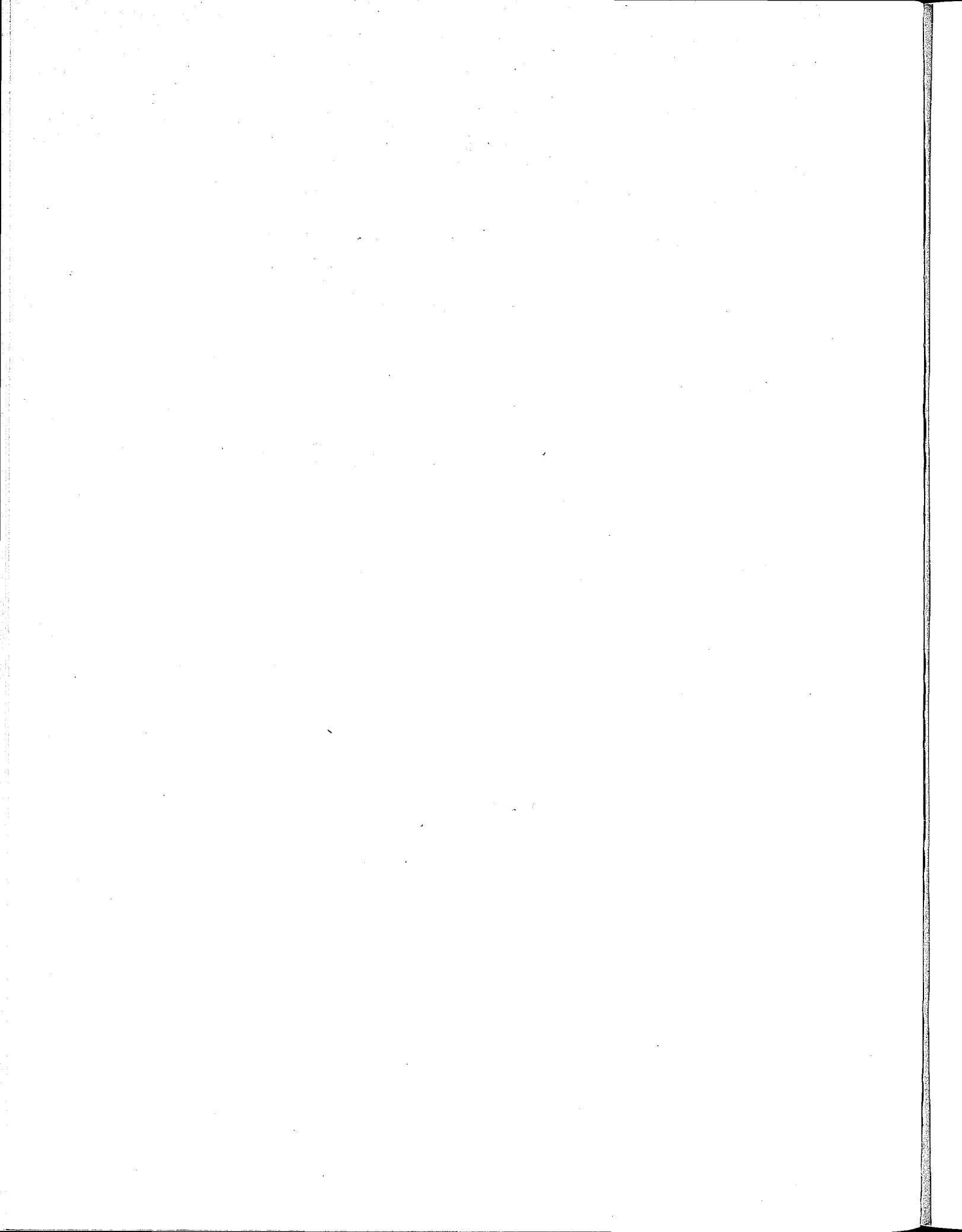
Canada's anti-apartheid weapon

Development aid woes

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International Perspectives

July/August 1987

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Editor's Note:

Three years ago Canada held a general election. The result was a change in government, but not much of a change in foreign policy. Now things may be moving a bit as we see the effect that that election, and those three years, have had on our defence thinking — epitomized in this spring's *White Paper*. We have also witnessed the arrival of trendy economic and development theories in the approach to Canadian aid abroad. Those are subjects of this issue of *IP* by David Leyton-Brown and by John Tackaberry.

Other articles also make us wonder whether the best tunes come from band-wagons or from angels. Do we really want a secret intelligence service because others have one? Do we really want to let those chlorofluorocarbons eat away at our atmosphere because they rank with acid rain as figments of our imagination? John Starnes and John Eberlee have some thoughts. And how are we supposed to distinguish the real refugee from the spurious refugee, from the genuine terrorist, from the normal immigrant, from the native Canadian member of that ethnic group? It's hard to be right, and when you're not, it can have serious diplomatic effects. Bill Warden explores the toll that our efforts to be right about the Sikhs have had on relations between India and Canada.

It is nice, though, to be right about some things, such as exchanging our artists briefly for foreign ones, and above all, shouting "No" to apartheid. Robert Williams and Richard Payne tell how we do it.

Read them all.

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US reaction to the defence White Paper

by David Leyton-Brown

At this writing, the US government had not yet issued a formal position on Canada's defence White Paper, but the main elements in US thinking are evident from discussions with responsible US officials and with Canadian officials who consult with US counterparts. This article is based on a series of interviews with approximately two dozen US officials in the Departments of State and Defense in Washington and at the US embassy in Ottawa, and Canadian officials in the Departments of External Affairs and National Defence in Ottawa, and at the Canadian embassy in Washington. The interviews were conducted during the month preceding and the two weeks following the release of the defence White Paper.

Canada's long long awaited White Paper on defence was released in June. Because Canada is allied with the United States in NATO and the defence of the North American continent, and because the United States has often expressed displeasure with the share of that defence burden shouldered by Canada, US reaction to the White Paper is of particular interest. The United States government has not yet expressed an official position on Canada's defence White Paper, but several themes consistently recur in the comments of US diplomats and military officers working on Canadian affairs. The general response is positive, praising the paper for the quality and balance of its analysis, and for the more active defence role it espouses. However, there are some concerns.

Without question, the greatest US concern is with the level of defence spending called for in the White Paper. Somewhat surprisingly, Canada's withdrawal from its commitment on NATO's northern flank and consolidation of its efforts on the central front, which preoccupied much of Canadian public attention prior to the release of the White Paper, is of only minor concern in the United States. There exists a considerable difference of opinion in the United States over Canada's declared intention to purchase ten to twelve nuclear-powered submarines, and the associated question of Arctic sovereignty and the Northwest Passage. Some Americans would also have liked to see in the White Paper some explicit commitment to periodic reexamination and updating of strategic assessments and policy objectives, in a fashion that goes beyond the rolling 5-year funding forecasts. They fear that the failure to establish a formal updating process could lead to a resumed decline into obsolescence.

Defence spending

The White Paper emerged after years of US complaints about inequitable burden sharing by the allies in general and

Canada in particular. The United States government has maintained that Canada could, and should, spend more on defence. By their preferred prosperity-based measures (such as defence spending as a percentage of gross national product), Canada in recent years has ranked very low, jockeying with Luxembourg for second last place among NATO allies, ahead of only Iceland. Apart from this general concern that Canada has not been pulling its weight in contributing a fair share to the collective defence burden, the US government has been struck by the decline and obsolescence of the capital equipment of the Canadian Armed Forces, resulting from two decades of budgetary neglect. Accordingly, the principal US criterion for evaluating the White Paper is the increase in defence spending it represents.

The election of the Mulroney government in 1984 created high US expectations of increased Canadian defence spending. However election campaign promises of a 6-percent real increase in defence spending were not fulfilled in the first two-and-a-half years of the Mulroney government, as the priority attached to combatting the budget deficit prevented any substantial increases in defence expenditures. The US government was particularly upset that the announced deferral of \$200 million from the defence budget in the current fiscal year transformed the planned 2-percent real growth after inflation into no real growth at all. The US government has awaited the White Paper as the moment of truth, in which the Mulroney government should live up to its allies' demands, and its own promises, of increased defence spending.

On this central question of defence spending and burden sharing, the US reaction sees the White Paper as a move in the right direction, but which does not go far enough. Americans are glad to see the commitment to continued growth in defence spending over the 15-year period covered by the White Paper, especially at a time when there has been a decline in real defence spending by all other allies. But when the Canadian government and public have been overwhelmed by the magnitude of resources being committed to defence, and would have welcomed appreciation for the enormous effort being made, Americans have been underwhelmed, and would have preferred more.

Many in the United States interpret the commitment in the White Paper to a base rate of annual growth in the defence budget of 2 percent per year after inflation, as a commitment to no more than 2-percent growth. Despite the fact that Canada reaffirmed its commitment to NATO's goal of 3-percent real growth in

David Leyton-Brown is Associate Professor of Political Science and Deputy Director of the Centre for International and Strategic Studies at York University in Toronto.

Underestimating the price

defence spending at the defence ministers' meeting just a month before the release of the White Paper, and that the White Paper promises additional expenditures over the funding floor to introduce new major programs, Americans interpret the 2-percent floor as a target.

Spending makes believing

To US eyes, 2-percent real growth in the defence budget is not enough to reach the objectives outlined in the White Paper. Furthermore, they consider that the costs of some initiatives, such as the nuclear-powered submarine program in particular, were seriously underestimated. Accordingly, there is some skepticism in the United States about whether Canada will be able to afford to pay for the defence program outlined in the White Paper, and whether its objectives will be fully funded in years to come.

The fundamental attitude in the United States on defence spending is, "We'll believe it when we see it." Given the apparent retreat of the Mulroney government from its campaign promises to increase defence spending, Americans want to be shown that the expenditures promised in the White Paper will actually be made. This year, they want to see that the \$200 million deferred from the current defence budget is reintroduced before the 2-percent real growth is calculated, and that additional capital expenditures "above the line" are being made.

The first key moment will thus be the tabling of the next defence estimates in February 1988, when the first of the new 5-year rolling budget forecasts will be issued, and when a major capital expenditure on the second phase of the new frigate program is expected. To maintain credibility with the United States, the level of spending called for in those estimates must include the recovery of the deferred \$200 million, plus 2-percent real growth, plus an additional amount for the frigate program. Furthermore, the level of Canadian defence spending will be reevaluated every February in the same terms, as it is measured not only against the promises outlined in the White Paper, but also against US expectations that Canada can and should pay more.

"Consolidation" in NATO

Canada's decision to withdraw from its NATO commitment on the northern flank in northern Norway, and instead to consolidate its commitments on the central front in southern Germany, has greatly upset the Norwegians, but not particularly the Americans. In NATO parlance, consolidation is often a code word meaning reduction, which would not be welcomed by the United States at all. However, following extensive consultation, there is general US satisfaction that the Canadian consolidation is not a shell game, designed to cover a reduction in commitment, but rather a genuine effort to enhance Canada's contribution to the alliance.

Some Americans recognize that the northern flank commitment could not be fulfilled in a militarily credible way, and privately applaud Canada for standing up to a charade. There is general acceptance that Canada will do what it says, and make a net increase in its commitment.

The US criterion is that the Canadian redeployment makes sense if NATO's overall posture is enhanced rather than weakened as a result. That cannot, of course, be fully assessed until it is known how Canada's withdrawal from the northern flank commitment will be compensated for, and who will replace Canada in that role.

The US reaction, then, is a disagreement more on timing than on substance. Many Americans would have preferred that

Canada's unilateral decision to withdraw from the northern flank commitment not be made until a replacement had been found, and the effect of the total package on NATO's posture could be assessed. During the consultations leading up to the White Paper, NATO commanders studied the redeployment decision and supported it, so long as an alternative solution to the northern flank problem could be found. That has not yet been done. The Canadian government feared that its untenable involvement on the northern flank would stretch on indefinitely if there was no urgency about finding a replacement, and has left it to the alliance to decide how to fill the gap.

The issue will not be fully resolved in US eyes until a replacement for Canada is found in the north, but the two elements of US reaction are clear. Americans will accept the Canadian decision positively if the net effect is to enhance rather than reduce the Canadian contribution to the alliance, and if the total package, including a replacement for Canada on the northern flank, enhances rather than reduces NATO's total defence posture.

Nuclear-powered submarines

US observers are generally bewildered by the Canadian decision to proceed toward the acquisition of ten to twelve nuclear-powered submarines. However, many different views exist, ranging from hostility, through disagreement on priorities, to pleased acceptance. Without exception, the Americans do not believe Canadian cost estimates. The disagreement is not with the estimated purchase price but with the ancillary costs of infrastructure, training, refueling and so on. They claim that the experience of the US military's nuclear propulsion program has been much more costly, but they are unwilling or unable to do more than assert that as a fact. US legislation forbids the release of information regarding nuclear reactors or nuclear propulsion systems to outside analysts or even to the Canadian government. This leaves Canada in the unsatisfying position of being told that the White Paper's estimates are wrong, but being asked to take the accuracy of that criticism on faith.

Regardless of the basis for the position, the US reaction is that the proposed Canadian nuclear-powered submarine program cannot be funded within the guaranteed 2-percent real growth in the defence budget. To implement the proposal, Americans think that the Canadian government will either have to provide substantial additional defence spending (which many in the United States would welcome), or to cut back substantially on defence efforts elsewhere, such as troops in Europe (which most in the United States would view with alarm).

Many Americans therefore do not believe that the Canadian government will follow through on its promise, or hope that it will not. Some are actively searching for ways to persuade Canada to alter its commitment. Many in the United States, as in Canada, see the proposed nuclear-powered submarines as tied up with the question of Arctic sovereignty. This nationalist Canadian concern can appear aimed more at the United States than at the Soviet Union, and can seem to involve ambivalence about defence cooperation with the United States, or even anti-Americanism. This in turn can lead to frustration or annoyance in the United States.

The sensed linkage between the nuclear-powered submarines and Arctic sovereignty has led some in the United States government to ask whether a solution to the Arctic sovereignty problem, and a deal on the Northwest Passage, could enable Canada to spend its defence dollars elsewhere (such as on the

northern flank). This disregards the judgment of the Canadian government that the principal justification for the acquisition of the nuclear-powered submarines is to establish a balanced naval capability to meet Canadian objectives in the North Atlantic and the Pacific, entirely apart from the question of increased versatility in the Arctic. Canadian public receptivity to the submarines may result from a link between sovereignty and security, but the military rationale for them does not.

Range of reaction wide

At least four distinct but overlapping schools of thought on the question of Canada's nuclear-powered submarines can be identified in the United States. The first group supports the decision, and takes a "the more the merrier" attitude. They welcome the addition of ten to twelve nuclear-powered submarines for NATO (which is not an inconsiderable number beside the ninety-seven nuclear-powered submarines presently operated by the US Navy), regardless of the justification offered. If it takes an emotional issue of sovereignty to generate public support for the action, they are not bothered by it.

A second group is less supportive, because of the fear that expenditures on nuclear-powered submarines will inevitably distort priorities in Canada's defence budget. There is concern that other needed modernizations could be delayed or eliminated, and some even fear that Canada will ultimately be faced with a choice between the submarine program and the continuation of Canada's troops in Europe, because it could not afford to do both.

A third group, principally within the US Navy, interprets the Canadian decision as an infringement on US freedom of action in the Arctic, and possibly even as an anti-American attempt to preclude US naval activity in an area of vital interest. They would have preferred Canada to leave the nuclear-powered submarine game to the United States (especially in the Arctic), and instead to concentrate on the protection of the sea lines of

communication to Europe. This group may be mollified by evolving military cooperation in the region, but it remains to be persuaded.

A final group is unsympathetic on grounds of narrow bureaucratic interest. Some are troubled by the apparent determination to purchase British or French, rather than US, submarines. Others see the prospects for their own upcoming Sea Wolf submarine procurement program (involving large, high-cost vessels) complicated by the Canadian desire to focus on smaller, less expensive vessels.

The nuclear-powered submarines issue appears to be the one which will dominate Canadian public discussion of the White Paper. As the opinions of the Canadian public become clearer, and the seriousness of the Canadian government is borne out, these disparate US views will coalesce. With major new military capabilities, Canada will have to be taken seriously in a new way by the United States military. However, new forms of military cooperation in the Arctic will have to await the resolution of the Arctic sovereignty question.

Some questions remain

While US reaction is inevitably dissatisfied with the level of spending called for in the White Paper, and skeptical about the determination and ability of the Canadian government to implement the program outlined, it is still generally positive. That the White Paper appeared at all is welcomed. That it reflects serious analysis leading to a commitment to sustained growth in defence spending in support of a balanced program of initiatives, is particularly appreciated.

Some questions remain. A new naval relationship resulting from the entry of Canada into the nuclear-powered submarine game remains to be determined. The future of defence cooperation in space was left undefined in the White Paper, but will surely have to be confronted within its 15-year time horizon. Nonetheless, the initial US reaction in support of the general direction and content of the White Paper bodes well for the resolution of these and other issues in the future. □

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A Canadian secret intelligence service?

by John Starnes

The question, "Should Canada have a foreign intelligence service?" is being debated again in academic circles and, I suspect, in government circles. The outcome of the debate could be important in terms of Canada's international interests. That there are wide divergences of opinion and misconceptions about various important aspects of the notion was obvious from the public discussion which followed a panel debate on the question, held recently at McMaster University in Hamilton, Ontario. For example, exactly what is meant by a foreign or secret intelligence service, what should and should not such a service do, how should it be constituted, staffed, funded and controlled, and where should it fit within the Canadian intelligence community?

Before discussing the problems of establishing and running a secret intelligence service, however, I would like to deal with an aspect of security intelligence work not well understood, even by those close to such matters. I have in mind the conduct of security activities outside Canada, largely in the areas of counter-espionage and counter-terrorism. I would like to deal with the matter at the outset since there are those who confuse this kind of activity with espionage, and wrongly assume that those who carry out counter-espionage are also fitted to and capable of carrying out espionage.

Domestic intelligence only

There is no explicit language in the legislation establishing the Canadian Security Intelligence Service (CSIS) which deals with the problem of conducting operations abroad, other than Section 12 which states: "The Service shall collect, by investigation or otherwise, to the extent that it is strictly necessary, and analyse and retain information and intelligence respecting activities that may on reasonable grounds be suspected of constituting threats to the security of Canada and, in relation thereto, shall report to and advise the Government of Canada." The legislation does not say this activity cannot be conducted outside Canada.

The difficulty lies in not being able always to draw a clear line between activities carried out abroad which are defensive in intent and those which are offensive in purpose. Generally speaking, legitimate CSIS activity outside Canada involves: a) cooperation in some degree with the authorities of the country in which such operations are intended to be carried out, and b) activity clearly defensive in purpose, e.g., countering espionage carried out against Canada. Where, however, the main purpose of the activity becomes the collection by covert means

of information which has little or nothing to do with countering espionage, and where it is done without the knowledge and cooperation of the country concerned, then usually it is a task unsuitable for a domestic security service. It then becomes a job for a secret intelligence service.

Three cases

The following hypothetical examples illustrate some of the difficulties of distinguishing among different kinds of security operations abroad.

Let me posit the case of a senior officer of the Komitet Gosudarstvennoy Bezopasnosti (KGB) who defects to Sweden. In the course of his "debriefing" he provides his Swedish hosts with information about current KGB operations elsewhere in Europe. Included in this is specific information about KGB operations directed against Canadian diplomatic missions in Europe. The CSIS learns this from a third party and eventually persuades the Swedish authorities to give them access to the defector. The Swedes are unwilling to let the defector travel outside Sweden and the CSIS is obliged to carry out a lengthy and difficult interrogation abroad. This is a relatively simple and straightforward example clearly falling within the mandate of the CSIS.

However, let us take the case of an agent of the Czech foreign intelligence service, the Statni Tajna Bezpecnost (STB), who has been uncovered by the Spanish security authorities and is being run by them as a double agent in place. The Spanish inform the CSIS they have learned the agent has penetrated the Canadian Embassy in Madrid. They offer to give us access to the Czech. In effect, they invite us to run the Czech agent with them in a limited, joint operation. In return for this they ask us to provide "coverage" of persons living in Canada whom they suspect of being linked to Basque separatist activities in Spain. The first part of the deal probably fits within the CSIS's mandate, although the proposition would be open ended since the operation would be controlled by the Spaniards. The second part of the deal, however, might not lie so clearly within the CSIS's mandate since the CSIS would be running operations in Canada against Canadians or landed immigrants suspected by the Spanish, principally to satisfy a purely Spanish security/intelligence requirement.

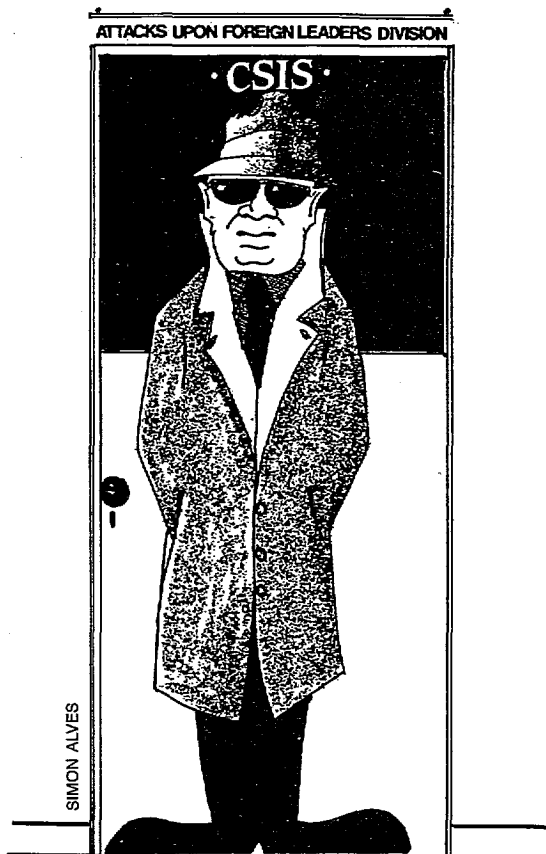
Getting warmer

The third example is an agent of the Russian military intelligence service, the Glavnoye Rasvedyvatelnoye Upravleniye (GRU) at the Soviet Embassy in Ottawa, acting for the CSIS as a double agent. Let us say he had been discovered by the CSIS having a torrid love affair with a married woman, a Canadian, something strictly forbidden by his superiors. Various tests establish the agent's bona fides and he is persuaded to work for

John Starnes was a Canadian diplomat who became the first civilian head of the RCMP Security Service, then (and now) a writer of spy novels.

the CSIS. His subsequent cooperation leads to the discovery of a small but extremely efficient espionage network in one of the most secret parts of the Department of National Defence. About a year later, at a crucial point in the operation, the GRU agent is suddenly transferred to Switzerland, a move which the CSIS is satisfied is normal.

Continued contact with the GRU agent is vital to the further implementation of various measures aimed at containing the GRU's penetration of National Defence. The CSIS would like to continue to meet the man, but our arrangements with the Swiss authorities are not such that we are prepared to ask their permission to operate on Swiss soil. On the basis of past experience we anticipate the request would be refused on the grounds it would set a precedent and violate Swiss neutrality. Moreover, once the request was made the Swiss would be alerted to our interest. In the circumstances, for the CSIS to try to continue to "run" the man probably would be beyond its mandate, and risky since it would not have the professional support services in place necessary to ensure its activities are not detected by the Swiss.



Earlier proposals

The notion that Canada should have a secret or foreign intelligence service is not new. Indeed, to my personal knowledge, in the last thirty years there have been a half-dozen such proposals made to us by representatives of various allied and friendly countries, largely I suspect to serve their own purposes. None of these approaches was made in writing, but despite their informal, sometimes even off-hand nature, they were seriously intended and treated accordingly.

There also have been similar propositions put forward by Canadians. The most notable being the gratuitous comments contained in Chapter 7 entitled "International Dimensions," of the *Second Report (Volume 1)* of the Commission of Inquiry Concerning Certain Activities of the Royal Canadian Mounted Police (popularly called the McDonald Commission). Section C of the chapter is entitled, "Should Canada have a Foreign Intelligence Service?" While the McDonald Commission made no formal recommendations either for or against the establishment of a secret foreign intelligence service, presumably because it was not part of their mandate to do so, they did offer suggestions as to how such a service might be established, organized, controlled and used.

Inter alia, the McDonald Commission suggested such a service should be: (1) entirely separate from the security intelligence agency; (2) established by a charter approved by Parliament, (3) expressly excluded from paramilitary operations, political intervention in other countries, and attacks upon foreign leaders; and (4) subject to executive and Parliamentary review of its activities. Despite their reluctance to make recommendations it is clear they favored a "limited secret intelligence service," devoted mainly to collecting intelligence covertly through human sources.

Joining the big league

The only other similar proposition was that made in the 1984-86 *Annual Report* of the Security Intelligence Review Committee, established under Section 34 of the Canadian Security Intelligence Service Act. In a chapter entitled, "Major Policy Issues," reference is made to Section 16 of the Canadian Intelligence Service Act, providing for the collection by the CSIS of information concerning foreign states and persons *through operations in Canada*. The report states: "This raises the broader policy issue of whether CSIS should be allowed to conduct information-gathering operations abroad. This might require an amendment to the Act by Parliament. We are mindful of the reluctance of Parliament and many Canadians to allow CSIS to take on the sort or covert functions performed around the world by the Central Intelligence Agency (CIA) on behalf of the U.S. government. On the other hand, some Canadians have asked why this nation continues to deny itself the benefits of an intelligence capability abroad when so many foreign intelligence agencies are operating offensively in Canada."

I agree with some of the McDonald Commission's reasoning, although clearly the Commission was handicapped by not knowing precisely what it was writing about. In particular, I agree that such an agency should be entirely separate from the CSIS — separately staffed, controlled and funded and under the supervision of a Minister other than the Solicitor General (my preference would be the Secretary of State for External Affairs since virtually everything the agency would do touches upon our foreign relations). I thought, though, that the McDonald Commission was wrong in seeking to float its ideas in an official report dealing with quite other matters, thereby confusing an already ill-informed public.

The Canadian Security Review Committee, on the other hand, in a few ill-chosen sentences managed to purvey more wrong-headed, uninformed, dangerous thinking on the subject than I would have imagined possible. The public has a right to expect such a body to speak with authority about security and intelligence questions, and thus their ill-informed comments

Do we need it?

about matters well beyond their legislative mandate served only to add to the confusion already created by the McDonald Commission's intervention.

How secret is "secret?"

If, as I suspect, serious thought once again is being given the matter, behind closed doors, it is time the public had a better understanding of exactly what might be involved. The principal difficulty for the present Canadian government and for any successor government is the public stance taken by the McDonald Commission that a Canadian secret intelligence service must be established by "a clear charter approved by Parliament." Perhaps the McDonald Commission is right on this score (I happen to believe they are, although not necessarily for the reasons advanced by them), but one can imagine the government might have preferred greater freedom of choice in the matter. In the circumstances, however, it would seem politically unwise for any government now to attempt to establish such a service in a surreptitious manner.

The problem, of course, lies in the fact that one of the prime attributes of a secret intelligence service is that it should be secret. Its *modus operandi*, agents, targets, budgets, records, employees, successes and failures must all remain hidden from public view if it is to have half a chance of carrying out its difficult and dangerous tasks. The necessary secrecy might be difficult to achieve if its budget, operational mandate, targets and personnel were to be exposed in Parliament and elsewhere.

If the government feels it can establish a secret intelligence service only through Parliament, it is not difficult to imagine it might be reluctant to introduce legislation to this end at this particular time in its mandate. That being the case the temptation may be great to try to fill perceived gaps in our national intelligence-gathering efforts through arrangements which fall considerably short even of the "limited secret intelligence service" apparently favored by the McDonald Commission.

Half measures dangerous

For example, the government could request that regular foreign service officers at designated Canadian diplomatic and consular posts carry out "special" information gathering tasks, short of using covert collection methods, and to pretend that this somehow be treated as a substitute for a secret intelligence service. I cannot imagine, incidentally, that such an additional burden would be welcomed by External Affairs. An equally foolish alternative might be to attempt something similar by piggybacking on Section 16 of the CSIS Act. I sincerely hope any such temptations are resisted. There is no such thing as being half-virgin, and to believe in such a condition is to invite an unwelcome pregnancy. The worst possible solution would be to delude ourselves into thinking we can get into the dangerous business of carrying out covert activities in other countries without getting our hands dirty. We might delude ourselves, but we certainly would not delude our allies or our enemies. Moreover, such unprofessional behavior might run the risk eventually of upsetting the excellent liaison arrangements with various foreign intelligence and security agencies which have painstakingly been put in place over many years.

If the intelligence community can identify specific matters on which they require information there is no reason why regular foreign service personnel cannot be asked to fill these requirements in the normal exercise of their diplomatic and other

functions. By custom and convention the Canadian foreign service has responded well to requests for information of all kinds from the government. At no time, however, has the information sought been gathered by covert means, that is to say, clandestinely, through the use of human sources subverted for the purpose, or by so-called technical means.

Drawing the line

I entirely agree with the McDonald Commission that there are certain activities which a Canadian secret intelligence service should never be permitted to carry out, e.g., paramilitary activities, destabilization of foreign governments and attacks on their leaders. I object, however, to their argument that a "limited service" would not be costly and somehow neither controversial nor complicated to establish. The impression is given that a "limited secret intelligence service," modest in size and scope and devoted principally to intelligence gathering, would be an innocent affair. I cannot think of anything more misleading. To collect *any* intelligence by covert means in a foreign, hostile environment would not be cheap, uncontroversial, innocent or uncomplicated. It certainly would not be a task for well-meaning amateurs.

Let us take an example, one which is entirely hypothetical, but not so fanciful or far-fetched as to be incredible. Canada consistently has been against the proliferation of nuclear weapons and, within that context, concerned that the uranium ore and reactors it supplies to other countries be used for peaceful purposes only. Let us suppose the government received information indicating the Indian government was secretly producing plutonium from a small Canadian-fuelled research reactor, possibly with the intent of making nuclear weapons, in breach of its bilateral agreements with Canada. Discreet inquiries through normal diplomatic channels fail to confirm or deny the allegation. In the circumstances, the government might feel justified in using the Canadian secret intelligence service. It would be a task which the government would feel comfortable in assigning, and one it would feel it could defend publicly, if that became necessary.

On the surface it might appear a simple task. In reality it would be one fraught with great difficulty. It would require the covert development of reliable human sources within the Indian Atomic Energy Authority, the Indian armed forces and the bureaucracy. Such recruitment could be done in two ways: by secret agents posing, for example, as Canadian businessmen, or by using regular members of the CSIS assigned to the Canadian Embassy in New Delhi, operating with diplomatic cover. In both cases a Canadian secret intelligence service presence would have to have been in India for some time in advance of the requirement. The establishment of reliable agents takes much care, skill and patience, and the provision of necessities such as secure communications, secret funding and safe houses, requires professional support services which cannot be put in place overnight.

"What do I do now?"

Assume for a moment the Canadian authorities were prescient enough to decide to use their limited resources to establish a secret intelligence service presence on the Indian subcontinent and, that in a few months after they are given this particular task, the service obtains documentary proof of the allegation. What then? The government would be faced with deciding what use to make of the information. Should it face the Indian authorities, or some international body, with the documentary

evidence thereby running the risk of revealing its secret operations in India and the identity of its informants? An alternative course might be to sabotage the Indian efforts to produce nuclear weapons, but this would immediately involve the secret intelligence service in dangerous, highly technical, paramilitary activities. Perhaps the documentary proof could be used with our allies and others, e.g., the Swedes, to get them to bring pressure on the Indians to desist from their efforts to manufacture atomic weapons, but this inevitably runs the risk of drawing us into unwelcome cooperation with other countries in pursuit of some similar worthy scheme of importance to them.

I have no objection in principle to Canada having a secret intelligence service, assuming we are quite clear what we would

do with it. It is important to realize, however, that even if a decision could be reached tomorrow to establish such an agency, it would be years (I reckon at least ten) before it could begin to produce useful results. We are not talking, therefore, about being able to meet urgent intelligence requirements now. If there are such requirements other means would have to be found to meet them (perhaps enhanced Canadian-based technical capabilities), or we simply would have to accept that they cannot be met. These are not arguments, of course, against proceeding to establish such a specialized agency, but rather facts which should curb our expectations and resolve us, if we are to begin such a venture, to do it in a realistic and professional manner. □

*Analyzing the Commonwealth dimension
Canadian policy stiffens*

Canada, South Africa and the Commonwealth

by Richard J. Payne

Canada has adopted various economic and political measures against South Africa in an attempt to influence that country's ruling minority to dismantle apartheid. Growing violence there following the state of emergency in 1985 and its extension in 1986 significantly contributed to Canada's decision to impose stronger sanctions. Although Canada's proximity to the United States usually serves to obscure its foreign policy, much to the chagrin of Canadians, this crisis in the Commonwealth and President Reagan's reluctance to impose the harsher measures favored by the majority of Democrats and Republican members of Congress highlight Canada's independence of both Britain and the United States in relation to South Africa. Canada has gone further than either country in applying sanctions and, unlike the US, Canada contends that the real risk of communist expansion and terrorism lies in the status quo: the cycle of violence and extreme repression, the absence of meaningful dialogue, and the increasing frustration of blacks excluded from legitimate participation. Canada's approach to South Africa demonstrates key objectives as well as major challenges to its foreign policy.

Commitment to human rights and revulsion against apartheid are well-established cornerstones of Canadian foreign policy. As a middle power with as bilingual culture and a non-colonial past Canada is relatively unencumbered in its opposition to white minority rule. Just as Americans do, Canadians feel strongly about racial discrimination and attempt to eliminate it abroad, partly to preserve racial harmony and tranquility at home and, especially in Canada's case, to strengthen ties with Third World countries. Canadians also want to project their national identity abroad, an aspiration stressed by Prime Minister Pierre Trudeau since 1968. International forums such as the Commonwealth, Francophone summits, and the UN, provide Canadians with an opportunity to communicate their country's distinctiveness, independence, and desire to promote international peace and security.

Learning about apartheid

The nature of Canada's economy also has an impact on its foreign policy. Prior to 1985 Canada's position on sanctions against South Africa reflected the importance of trade in its international relations. Although Ottawa realized that close economic ties with Pretoria could adversely affect its efforts to cultivate stronger bonds with the Third World, it maintained the view that if it were to restrict these economic links other industrialized countries would simply replace Canadian interests. Not surprisingly, this position created inconsistency and ambiguity in Canada's South Africa policy. By 1985, however, it was obvious to even the most ardent supporters of unrestricted trade that the white minority was actually imposing economic sanctions upon itself by adamantly refusing to move toward dismantling apartheid and was thereby creating an environment which many businesses did not regard as being conducive to continued operations. Under these circumstances Canada could best safeguard its economic interests in the Republic as well as in the Third World by strongly condemning apartheid and advocating a negotiated transition to majority rule in an egalitarian, multiracial South Africa.

Commonwealth purification

Perhaps the most important overall objective of Canada's foreign policy is for the country to serve as a bridge between the industrialized North and the developing South on economic and political matters. This means preserving the Commonwealth as a viable transnational multiracial institution which could be instrumental in enabling Canada to achieve its other foreign policy aims. According to Don Jamieson, Secretary of State for

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Analyzing the Commonwealth dimension

External Affairs in 1978,

The Commonwealth is uniquely able to bridge wide diversities between governments and peoples, North and South, rich and poor. We want to preserve its unique qualities, to encourage active participation in it by its members at all levels, and to enhance its role as an instrument for greater cooperation in the world community.

The fact that the Commonwealth, a multiracial organization, is so important to the realization of Canadian foreign policy objectives has significantly increased Canada's sensitivity to racial discrimination in general and apartheid in particular. When minority rule in South Africa caused serious discord among Commonwealth members, Canada was forced to define its position more precisely than it would have done if racial domination had not been such an emotional and divisive Commonwealth issue. Because it so highly valued the Commonwealth, Canada joined the Afro-Asian bloc in 1961 to oppose British Prime Minister Macmillan's efforts to keep South Africa in that organization. Today, Canada and Australia have emerged as major proponents of sanctions against South Africa in alliance with Third World Commonwealth members. An excellent example of this is the pivotal role played by Canada's Joe Clark and Brian Mulroney at the 1985 Commonwealth meeting in Nassau. Prime Minister Mulroney advocated a "common program of action to enable Commonwealth countries to signal together without exception, that worldwide pressure against South Africa will be sustained until apartheid is ended." Later, at a summit meeting of the Francophone countries, Canada again committed itself to bringing an end to institutionalized racism. Canada's position at both meetings signaled a change in its policy of caution on apartheid.

Isolation bad then, good now

Although Canada has always condemned minority rule and South Africa's illegal occupation of Namibia, it maintained the view that total isolation of South Africa would not encourage fundamental reform in that country. On the contrary, from Canada's perspective, "isolation breeds the kind of defiance which further fans the flames of oppression and hatred; racist mentalities feed on isolation." Canada viewed diplomatic relations with Pretoria as a means by which it could monitor developments and communicate its support for socioeconomic and political change. Canada insisted on South Africa's right to participate in UN activities on the basis of the principle of universality. By allowing South Africa to sit down with other countries the apartheid regime would be exposed to the pressures of world opinion and possible solutions could be found. But Canada appeared to contradict its strong opposition to apartheid by voting against or abstaining on resolutions designed to pressure Pretoria. For example, between 1978 and 1980, Canada voted against resolutions calling for an international conference on sanctions against South Africa and an oil embargo. It abstained from voting on resolutions calling for an end to nuclear and military cooperation with South Africa and the implementation of the Declaration on the Denuclearization of Africa. Similarly, Canada refused to impose meaningful economic sanctions against South Africa until 1985, favoring instead the continuation of open trade with all countries, even those with which it had profound differences.

Trade and investment

Compared to Britain, the United States, West Germany or Japan, Canada's trade with South Africa is minuscule, representing approximately 1 percent of total exports and imports. Major imports from South Africa include sugar, wines, chromium, manganese, iron and steel alloys, scrap metal, rods, sheets and plate. Major exports are sulphur, wood pulp, motor vehicle parts, office machines and equipment, and paper. Because both countries have similar economies, they are more likely to compete for markets rather than engage in extensive trade. Canadian investments in South Africa are also relatively small, amounting to about 1 percent of total direct foreign investments in that country. As Tables 1 and 2 indicate, from 1978 to 1984 Canada's imports from South Africa increased by approximately 75 percent and its exports almost doubled.

Despite Canada's trade restrictions, economic transactions between the two countries appeared to be virtually unaffected in 1986. In fact, private Canadian firms actually increased their trade with Pretoria, and while Prime Minister Mulroney urged the Commonwealth to impose stronger sanctions against the minority regime, the Canadian Wheat Board increased wheat sales to South Africa. Partly in anticipation of the imposition of additional trade restrictions, Canadians decided to import more wine, chrome and manganese from South Africa.

In Namibia too

Despite Canada's participation in the Contact Group, which is designed to help bring about Namibian independence, and its support of UN resolutions condemning South Africa's illegal occupation of that territory, Canadian companies continue to operate there and to ignore various International Court of Justice rulings. For example, Falconbridge, in partnership with the South African government, held a 75-percent share in Oamites copper mines, and a 25-percent share in a platinum mine in Namibia until February of 1987 when it decided to sell its holdings in South Africa. Although Canada advised its companies that it would not protect them, it continued to allow the importation of Namibian uranium and permitted Eldorado Nuclear Ltd., a Canadian government-owned corporation, to process this uranium under contract with foreign electrical utilities. Apparently concerned about this obvious contradiction with its stated policy, Joe Clark announced on July 6, 1985, that his country had decided to terminate all toll-processing of Namibian uranium imported from South Africa.

Canadian code emerges

In 1978 Canada adopted a Code of Conduct Concerning the Employment Practices of Canadian Companies Operating in South Africa which provided for equality of opportunity in employment and training, equal pay for equal work, the right to organize and bargain collectively, the provision of fringe benefits such as contributory medical and pension plans, and integration of working, dining, recreational and training facilities. The Canadian International Development Agency works closely with Canadian non-governmental organizations and international organizations to develop and fund projects designed to improve opportunities for blacks and help bring about an end to apartheid. Canada also contributes to the UN Trust Fund for South Africa, the UN Education and Training Program for Southern Africa, and a scholarship program for non-white disadvantaged South African students.

In an effort to reduce the seven neighboring Commonwealth countries' dependence on South Africa and foster peaceful change in Southern Africa, Canada has made significant contributions to the Southern African Development Coordination Conference (SADCC) to which they belong. Canadian funds have been utilized to build the National Resources College in Malawi and to train several of its staff. Canada also provided \$16 million in steel rail and associated materials and equipment to rehabilitate the Nacala Railway in Mozambique; \$2.1 million to support the establishment of a regional Food Industry Advisory Unit within the Zimbabwe Ministry of Agriculture to increase food availability; and \$2.5 million for the development of energy interconnectors in the SADCC region.

Canada's concern about its role in the Commonwealth influenced it to condemn strongly South African raids on Botswana, Lesotho and Zambia. Canada views these incursions and the killing of innocent civilians as barbaric and threats to regional stability. Following the massacre of forty-two people in Lesotho in 1983, Canadian doctors working in that country urged their government to reconsider sanctions against South Africa and to recall its ambassador. By 1985 Canada had concluded that it could no longer tolerate "a course which means continued repression within South Africa, and lawless raids on countries which are our friends and partners in the Commonwealth," and decided to impose stronger sanctions against South Africa.

Changing face of sanctions

Before 1985 the Canadian government's main argument against comprehensive sanctions was that they would be ineffective because the size of the South African economy would enable it to withstand such economic pressures. Furthermore, sanctions were viewed as hastening rather than averting conflict. Nevertheless, limited measures such as a voluntary embargo on the sale of military equipment (1963) and the sale of spare parts for such equipment (1970) were imposed. On the other hand, the government failed to restrict the flow of investment or the transfer of technology designed to assist arms production in South Africa, and took several years to prosecute Space Research, a Canadian firm, for shipping shells and guns to Pretoria. In 1977, however, Canada voted for a mandatory arms embargo against South Africa, and ended its active promotion of trade with the minority regime. Trade Commissioners were withdrawn and the Consulate General in Johannesburg and the Consulate in Cape Town were closed. The use of the Export Development Corporation's government account for financing and insuring trade with Pretoria was suspended, and the facilities which had been available for insuring Canadian investments in South Africa were also withdrawn. In 1980 Canada terminated preferential tariff treatment accorded South Africa under the Canada-South Africa Trade Agreement of 1932.

Escalating violence and government brutality prior to the imposition of the July 1985 State of Emergency influenced Canada to change its position on economic sanctions. Secretary of State Joe Clark announced that "it is part of our duty to make clear to South Africa that Canada is prepared to invoke total sanctions if there is no change." On July 6, 1985, Canada introduced ten measures to strengthen its opposition to apartheid. These included an embargo on the sale of computers, abrogation of double taxation agreements, prohibition of the sale of Krugerrands, a ban on loans to the South African government, a ban on the sale of crude oil and refined products, an embargo on air transport between the two countries, and the assignment

of an officer charged with responsibility for labor affairs at Canada's embassy in South Africa to maintain direct contact with African opposition leaders who are agents of reform.

Table 1
Canada — South Africa Trade (in millions of Canadian dollars)

Year	Imports from South Africa	Exports to South Africa
1978	149	112
1979	240	108
1980	356	203
1981	403	239
1982	219	214
1983	194	166
1984	222	202

Source: Canadian Department of External Affairs

Table 2
Canadian Investment in South Africa (in millions of Canadian dollars)

Year	Amount	Year	Amount
1969	65	1977	116
1970	73	1978	153
1971	111	1979	148
1972	106	1980	155
1973	105	1981	239
1974	107	1982	200
1975	126	1983	189
1976	126	1984	135

Source: Statistics Canada. These figures do not include portfolio investments or investments made by Canadian interests in South Africa using local funds.

Commonwealth important in fighting apartheid

Following the meeting of Commonwealth leaders in London in August 1986, Canada decided to fulfill its promise to get tougher with Pretoria and banned imports of agriculture products, uranium, coal, iron and steel from South Africa. Although the Canadian government continued to urge firms that have chosen to remain in South Africa to comply with a voluntary Code of Conduct, and did not encourage divestment, when Falconbridge increased its holdings in that country External Affairs Minister Joe Clark communicated his disapproval to the company's chairman. This action, combined with political pressure from anti-apartheid groups, strongly influenced Falconbridge to divest its holdings in Western Platinum Ltd. (SA) in early February 1987.

Apartheid had become the primary Commonwealth issue and, to safeguard its national interests, Canada had decided fully to support dismantling white minority rule. As a middle power, it values the Commonwealth as a forum in which it can project its national image, demonstrate its independence, and maintain political and economic links with Third World countries, especially those which are members of the Commonwealth. Without the influence of the Commonwealth as an international forum, Canada's ability to influence international attempts to dismantle apartheid would be severely limited. □

Getting development right

by John Tackaberry

Canada's foreign aid strategy is in a mess. Buffeted by conflicting objectives ranging from meeting basic development needs to subsidizing Canadian industry, it has been repeatedly raided by the Department of Finance to assist in deficit reduction. Since 1984 the government's initial commitment not to turn its back on the world's disadvantaged peoples by meeting the international target of 0.7 percent of gross national product (GNP) for official development assistance (ODA), has been pushed back ten years to 2000.

External Relations Minister Monique Landry has said that what is required to get the program back on track is "a comprehensive Canadian approach to world development — a new statement of policies appropriate in the closing years of the twentieth century." But finding the right way to deliver the \$2.6 billion that Canada will spend on development assistance this year is proving to be difficult. After seven years without a clear strategy, politicians and bureaucrats have been able to exploit the ambiguities of the program. The government now seems determined to arrest this drift.

Department and Committee

External Affairs Minister Joe Clark posed the critical questions about the recipient countries and the sectors to be assisted in his 1985 Green Paper on foreign policy, *Competitiveness and Security*. What he proposed was a clarification of "where ODA fits into our conception of our own economic and political well-being, our sense of moral responsibility and our overall foreign policy." But after extensive hearings the Special Joint Committee of the Senate and the House of Commons, in its report *Independence and Internationalism*, rejected the idea of helping ourselves under the guise of foreign aid for others, and affirmed that "Meeting the needs of the poorest countries and peoples should remain the primary and overriding objective of the Canadian aid program." It left the detailed review for the External Affairs and International Trade Committee. Now after a year of intensive study that committee has presented its report, an assessment of Canada's foreign aid entitled *For Whose Benefit?*

Chaired by Progressive Conservative William Winegard, the Committee has reaffirmed that Canada's aid should meet the basic needs of the poor in the least developed countries in the Third World. This approach to development assistance

reflects the current thinking of many aid experts and mirrors the earlier Canadian aid strategy for 1975-80. It opposes the current slide towards the "commercialization" of the aid program, including explicit aid/trade functions under the umbrella of international development.

Development Assistance Charter

Having posed the right questions about aid, the hearings have elicited answers from the public that have won the support of Parliamentarians. The Winegard Committee is recommending that the basic principle of aid to the poorest countries and people in the world, with emphasis on human resources and priority to development objectives in all aspects of ODA, should be included in a Development Assistance Charter to act as a legislative mandate for the program. The logic is obvious. The purpose, as the Parliamentary Task Force on North-South Relations noted back in 1980, of an aid program is to aid — "to promote human and economic development and to alleviate suffering." It is not supposed to be used for the disposal of surplus food or as what has been called "externalized protectionism," subsidizing sales of uncompetitive Canadian goods to developing countries. But it has occasionally served this purpose in the past.

An unequivocal legal mandate for the aid program would restrict what is euphemistically called the "policy flexibility" in the delivery of development assistance. Canadian aid bureaucrats have repeatedly rejected the idea of an overall strategy, claiming that the fluidity of the international environment affecting developing countries precludes the possibility of having a firm aid strategy. Officials in the departments responsible for the Canadian aid program, External Affairs, Finance, Agriculture and the Canadian International Development Agency (CIDA) will have to feel the impact of what the Committee calls "a fresh jolt of political energy to keep it on course and able to adapt to the realities of the 1990s and beyond." A key way to get development right would be to have a clear legislative framework, but this goal requires an effort of "political will" in the face of resistance within the bureaucracy.

Ties that link or bind?

Anchored by a Development Assistance Charter, the Winegard Committee wants to build links with developing nations. The members oppose the tendency of some businesses to use CIDA, which administers three-quarters of Canada's aid, as "a convenient source of tied aid contracts where the partnership ends as soon as the money runs out." Under the current guidelines 80 percent of the direct country-to-country or bilateral aid, which is about 40 percent of Canada's total ODA, is tied to the purchase of Canadian goods and services. The practice

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can increase the cost of projects by as much as 20 percent and biases the aid towards things that Canada can supply, but which may not reflect the priority needs of the recipient nation. When Canadian goods and services are competitive in price and appropriate they should be supplied, but the Committee says that the government should move gradually down to a level where only 50 percent of the bilateral aid is tied. The government, however, should be given a specific timetable to reach this goal. Without target dates the proposal could become just an intention for the vague indefinite future.

The Committee members also do not want the government to "buy" public support for the aid program by dumping our food surplus in nations where its arrival could damage local production, especially when surplus food is available from a neighboring nation. They think the rules should allow purchases from these adjacent countries.

Because of the bias in favor of Canadian goods and services, CIDA's administration is heavily concentrated within this country to be close to suppliers. The Winegard Committee wants to loosen the tying, and transform more decision-making to the field. They suggest establishing five or six regional offices in developing countries at a cost of about \$40 million a year; they also want the aid program concentrated in fewer nations.

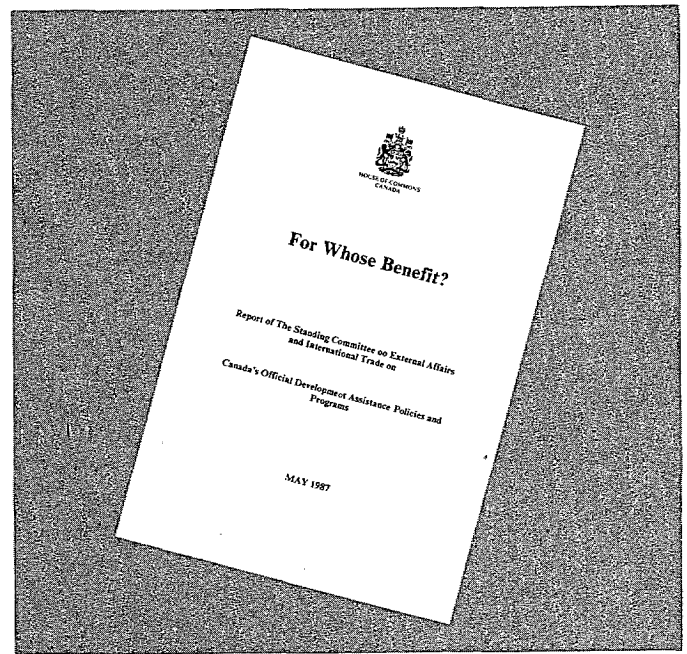
Country selection

The current tying requirements limit the impact of aid in developing nations, but they spur regional development in Canada, even though that is not part of the official mandate of CIDA. The External Relations Minister boasted recently that sixty-five cents of each dollar for aid stays in or returns to Canada, and that "ODA spending is spread equitably across this country." The detailed breakdown presented to the Canadian Export Association in May just reinforces the impression that foreign aid is being dished out to help our industries under the cover of assisting others.

The Winegard Committee report opposes this approach and the way that foreign aid is disbursed in over 100 countries, described by the Economic Council of Canada in an earlier report as a "diplomatic calling card." The Committee says 80 percent of direct bilateral aid should be concentrated in thirty core countries based on their needs, past relationship with Canada as an aid partner, development priorities and "the respect shown for human rights in the broadest sense." Developmental rather than diplomatic or commercial considerations are to be the basis for the decisions.

The Winegard report reflects earlier suggestions by groups such as the North-South Institute to concentrate the bilateral aid program. The current guidelines from cabinet specify that 75 percent of the assistance is allocated to "Category I" countries, currently thirty-one countries and regional groupings for the Sahel and Southern Africa, in which "comprehensive long-term programming takes place." The other 25 percent goes to countries where Canada has a significant presence on a project-by-project basis (Category II), or where small amounts of aid are provided to be visible. But there is a tension that has been noted between the use of aid as an instrument of Canadian foreign policy, to enhance our international image, and the need to concentrate assistance to be effective.

Middle income nations such as Ivory Coast, Jamaica and Colombia are included in the current "core countries" list, and as the Winegard report notes, the emphasis in Indonesia and China seems to be on aid as a door opener for trade. Zaire, which



is not known for its enlightened economic policies or respect for human rights, is also in this group.

The Committee wants CIDA to review its "core countries" to see whether they meet the new proposed development criteria. It wants to eliminate the other eligibility categories that have created confusion by inserting foreign policy considerations that have little to do with "the purposes of the aid program in reaching the poor and promoting self-reliant human development." Using the proposed development criteria would also increase the number of the Less Developed Countries (LDCs) on the list.

Even if the government decided to entrench foreign aid priorities in a Development Assistance Charter, and agreed to the development criteria for "core countries," the External Affairs and International Trade Committee should review the list approved by cabinet each year, and assess it against the best information from international agencies and Non-Governmental Organizations (NGOs). Without direct political pressure it is doubtful that the exercise will ever achieve the "discipline and transparency" the Committee desires. In addition, a public annual review would force bureaucrats to make qualitative judgments about the development efforts of recipient countries outside of the confines of confidential recommendations to the cabinet.

Human rights

A key element in the determination of a country's eligibility for Canadian aid in the criteria proposed by the Winegard report is "the respect shown for human rights in the broadest sense." Equitable development itself, as Terence A. Keenleyside has noted in a recent article in *International Perspectives* (March/April 1987), can enhance these rights, and there is clear pressure from the Canadian public to make the promotion of human rights an integral part of Canadian foreign policy. *Independence and Internationalism*, the June 1986 report of the Parliamentary Committee on the government's Green Paper, underlined the theme. The government's current policy is to consider human rights in the allocation of aid, but not to subject "the victims of human rights violations — often the poorest members of society — to a double jeopardy of being deprived of outside help as well as of their rights." It only considers suspending

Emerging Parliamentary role

direct Canadian aid when rights violations are so massive and persistent that effective development assistance is impossible.

The Winegard Committee does not want to deprive those in need in emergency situations even if they live in nations where there are persistent, gross and systematic violations of human rights. But the report says that Canada should not provide long-term development aid to these regimes. It wants CIDA and External Affairs to assess the recipient nations based on the best available data using international criteria covering the full range of human rights, and present the information to Parliament in their annual report. Countries where there are persistent violations ("human rights negative") would be ineligible for direct government aid, although NGOs could operate there at their own risk. Where there are serious allegations, but not a persistent pattern of violations ("human rights watch") direct assistance would be carefully targeted and monitored. In other cases aid would continue or be increased to help enhance their observance of human rights.

Institute of Human Rights

The strengthening of the policy function at CIDA and the routine presentation of an annual report including this information will not, however, automatically resolve the problems. Non-ideological standards of human rights that can be applied in a universal, consistent and transparent manner have to be developed. The international conventions exist but the grid has to be clearly formulated if the annual assessment is to be the basis for continuing direct Canadian aid to a specific country. Officials in CIDA and External Affairs can evaluate the raw data, but it should be up to the Human Rights Committee and the External Affairs and International Trade Committee to conduct an

independent annual review, free from the geopolitical, diplomatic and economic considerations that condition the views of the bureaucrats. If an International Institute of Human Rights and Democratic Development is created, as has been proposed, it could make an independent contribution to the process. Where there are cases of conflicting assessments of human rights violators, Members of Parliament could exert pressure to try to change the government's human rights designations for individual countries.

Commercial concerns should not be allowed to override human rights issues in nations such as Indonesia, and geopolitical considerations are not a convincing reason for the inclusion of countries such as Zaire to receive Canadian development assistance. The promotion of human rights, which the Canadian public has supported in numerous foreign policy reviews, has to be an open, unambiguous process.

Back to the roots

Outlining the Canadian aid program in a Development Assistance Charter, determining the possible recipients and assessing their human rights records, is the easy part of the process. The difficulties begin with the selection of projects and the channels to implement them. The emphasis in the Winegard Report (*For Whose Benefit?*) is on human resource development rather than on capital-intensive infrastructural projects. It wants to encourage partnership among Canadian institutions, businesses and non-governmental organizations and groups in the Third World by increasing their share of ODA from the current 10 percent to 15 percent by 1995-96. The report says that a base of one-third of ODA should be maintained for international institutions through the multilateral program, especially for agricultural development. But in the area of food aid, having noted the problems of its effect on local farmers and the dangers of import dependency, it recommends that, except in special emergencies, it be reduced from the current level of 15 percent, and not exceed 10 percent of the ODA budget in the future. But on the whole *For Whose Benefit?* only recommends minor adjustments in the ways that Canada's foreign aid is disbursed.

Where this report is radical, going to the roots of the problem, is in its demand for an explicit development-related mandate for Canada's aid program. Stripped of diplomatic and commercial baggage it could be freed to meet the needs of the poorest people in the poorest countries. Liberated from heavy tying requirements that force bureaucrats to stay in Canada, the program could be decentralized with officials making decisions where they will have an impact — in developing countries. And with greater country concentration in a limited number of nations that Canadians know observe basic human rights, our development assistance would have greater demonstrable impact.

Access to our markets for goods from the Third World and debt relief are crucial complements to foreign aid. They are complex issues, with direct and occasionally negative impacts on Canadians that are not easy to solve. But there is a consensus among politicians and the public about how to get international development assistance right. The Winegard report identifies the key issues. The question remains whether External Affairs Minister Joe Clark, who sparked the public process of foreign policy review, can restrain his bureaucrats from bootlegging other objectives back into the program. An informed Canadian public has spoken, and Parliamentarians have agreed, but has the government listened? A failure to act this time is sure to reinforce the lingering cynicism of overworked Canadian aid workers and others involved with international development about the futility of trying to redirect the policy process. □

NOMINATIONS ARE INVITED FOR THE 1987 PEARSON PEACE MEDAL

Any Canadian may nominate a fellow citizen for this prestigious award presented each year by the United Nations Association in Canada for outstanding achievement in the field of international service.

The Pearson Peace Medal is awarded annually to that Canadian who "through voluntary and other efforts, has personally most contributed to those causes for which Lester Pearson stood: aid to the developing world, mediation between those confronting one another with arms, succor to refugees and others in need and peaceful change through world law and world organization".

A jury of eminent Canadians meets each year to choose the recipient. The medal is presented by the Governor-General of Canada around United Nations Day, 24 October. Recipients to date have been: Paul Émile Cardinal Léger (1979), J. King Gordon (1980), General E.L.M. Burns (1981), Hugh Llewellyn Keenleyside (1982), Most Reverend Georges-Henri Lévesque (1983), Georges Ignatieff (1984), Very Rev. Lois M. Wilson (1985), and Dr. Meyer Brownstone (1986).

Nominees should not be contacted by nominating parties and only one nomination per candidate will be accepted. You are invited to submit your nomination in writing and accompanied by a curriculum vitae, by 1 September 1987 to:

**The Executive Director
United Nations Association in Canada
63 Sparks Street, Suite 808
Ottawa, Ontario K1P 5A6**

Sikhs in Canada-India relations

by Bill Warden

The history of the Sikh community in Canada is a remarkable one. Even if the numbers involved in the early part of this century were relatively small, the first Sikh immigrants made their presence felt from the very start as they took employment with the railway, in the lumber industry and in agriculture. Like the Chinese they encountered unremitting hostility and blatant discrimination. That the Sikh community — denied the right to lead a normal existence and subjected to severely restrictive regulation — survived as a distinct entity into the 1960s and up to the liberalization of Canada's immigration laws is testimony to the community's remarkable persistence and staying power.

The Sikh community has been increasing substantially each year through the "family class" provisions in the immigration legislation, and by the mid-1980s Sikhs in Canada were estimated to number some 150,000.

Sikh extremism as an irritant

If the nuclear theme dominated Indo-Canadian links in the 1970s, so Canada's Sikhs came to be the principal factor in the bilateral relationship of the 1980s. The net impact of the Sikh factor was, ironically, a strengthening of the Indo-Canadian relationship. India for its part, seeing Canadian Sikh extremist activity as a serious threat, became acutely conscious of the need to develop a cooperative political relationship with Canada. The Canadian government, disturbed by accusations of being "soft on terrorism," and faced with a growing threat to Canadian as well as Indian security, significantly intensified its efforts to curb unlawful activities by Sikh extremists. With India identified as an influential and valuable partner in the developing world and Commonwealth, Canada eagerly reciprocated Indian interest in a revival of closer political ties.

As for Canada's Sikhs, they once again became a community in distress. Estranged from their homeland by the 1984 assault on the Golden Temple and the Delhi massacres after Mrs. Gandhi's assassination, they were beset by image problems, associated with terrorism, and alienated by what they regarded as a "ganging up" by both governments.

Lesson in tenacity

Few minorities showed more determination in establishing a foothold in Canada than did the Sikhs. The first turbaned followers of Sikhism's founder, Guru Nanak, arrived on the west coast at the turn of the century and by the end of the first decade numbered in the thousands. White reaction against the influx of Japanese, Chinese and Sikhs was sharp: anti-Asian riots, media hostility, blatantly discriminatory ordinances and legislation.

Most Canadians at the height of the Vietnamese refugee exodus in the late 1970s found the callousness of some of the Southeast Asian countries, as boats were pushed back to sea and overloaded freighters kept waiting for week, highly repugnant.

Yet few Canadians are aware that the first "large boat" episode of the modern era took place in Canada in 1914 when the cargo vessel Komagata Maru was prevented from offloading in Vancouver its cargo of 376 East Indians, mainly Sikhs. Kept at anchor in the harbor for some two months under deplorable conditions, the Komagata Maru was finally forced back to sea at the point of a gun. White Canadians applauded; the Sikh community in Vancouver protested to no avail.

Conditioned by centuries of Mogul persecution and martial militancy born of adversity, the new immigrant community on the west coast responded characteristically to its tormentors — with defiance, stubborn determination, and fervor occasionally spawning individual acts of violence. To students of Sikh history the militant behavior in 1914 of the community was predictable, even as was the turbulent reaction seventy years later of Sikhs in India, Canada and elsewhere to the assault on the Golden Temple and the Delhi massacres.

Nevertheless, relentless hostility and suspicion in the early years took their toll. By the end of the 1920s no more than a handful of Sikhs remained. Yet that handful was to provide continuity and serve as the foundation for renewed immigration on a massive scale from the Punjab in the postwar years.

Turbulent '80s

Relative tranquility in the Punjab in the first three decades of Indian independence, and economic prosperity, belied latent political discontent. Reflecting Sikh aspirations, the resolution passed by the Sikh Akali Dal Party in 1973 in the Punjabi town of Anandpur Sahib articulated objectives variously interpreted as either compatible with or inimical to Indian national unity. Whatever the interpretation, the resolution provided the focus during the 1980s for increasingly persistent Sikh demands for political and religious concessions.

Discontent in the Punjab nurtured by a wide range of grievances spawned its own disciples in the Sikh communities abroad. While the vast majority of Canadian Sikhs avoided substantive involvement in hard-core anti-Indian activities and the separatist cause, a small but vocal and militant group drew attention to itself by taking up the banner of Khalistan, a separate Sikh homeland. By 1981, so-called consulates of Khalistan had been established in Toronto, Winnipeg and Vancouver. The murder the following year of a lawyer and Sikh defendant at the

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The poison of terrorism

Ontario Supreme Court in Toronto served to associate in the public mind Sikh causes with violence. The image was reinforced later the same year by a shooting incident outside the Indian Consulate in Toronto in which four demonstrators and one policeman were injured.

If there was a single principal actor catalyzing the escalation of Sikh extremism in India and abroad in the 1980s, it was Jarnail Singh Bhindranwale. A Sikh priest of peasant stock, Bhindranwale as rising star was the product of religious fundamentalism and political machinations by opportunistic politicians. In 1981 this charismatic messiah of the Punjab established himself in the Golden Temple in Amritsar from where he proclaimed justice for the Sikhs and encouraged his disciples to take whatever action necessary, even violent, to achieve their goals.

Terrorism increased markedly in the Punjab. Violence was directed by Bhindranwale's followers, against Sikhs accused of heresy as well as against Hindus. The central authorities at first avoided confrontation, hoping that the situation would somehow resolve itself. An atmosphere was gradually created in which moderate voices were silenced and radical ones prevailed. By the beginning of 1984 the situation had become tense to a point approaching untenability. Hit squads directed from the Golden Temple became a daily feature and roamed as far afield as New Delhi. A center of virtual open insurrection against the state had been created.

A sign of intensifying government frustration over the Punjab's seemingly inexorable slide towards anarchy was the resort by official spokesmen to charges that foreign conspiracies were at the root of the problem. The allegation did not stand up to close scrutiny. While the case could be made that certain outsiders might be tempted to exploit India's problems, and while the Sikh cause did indeed draw some support from communities abroad, the rise of extremism in those communities was the direct product, rather than the cause, of the Punjab's unraveling stability.

India alarmed

Whatever the root of the problem, Indian diplomacy in the early 1980s began to focus increasingly on the task of containing anti-Indian activities abroad. It was in this context that Canada, along with the United States and Britain, attracted particular attention.

Indian concerns in Canada centered on three main issues: growing extremist activity, support by some Canadian Sikhs for the idea of a separate Sikh state (Khalistan), and the perceived ambivalent attitude of the Canadian government. Representations were made, for example, over the possible smuggling of arms from Canada to the Punjab, and over reports of training camps for terrorists. The so-called Khalistan consulates became an irritant, with the Indian government demanding that they be shut down and Canadian officials insisting that action could be taken only at such time as it had been determined that the law had been broken. The Indians were especially sensitive to Canadian official attitudes on matters such as the granting of refugee status to Indian nationals and the provision of government funds to organizations suspected of Khalistan sympathies.

If the Sikh factor exercised a negative impact on the bilateral relationship during the early 1980s, it was not because the overall interests of the two countries were divergent. Indeed, Canadian officials made no secret of their full support for Indian unity and lack of sympathy for Punjabi extremists and Khalistani supporters. Rather, the irritant derived from differing perceptions: the Indian government viewed anti-Indian activities in Canada

as a substantive thorn in the side, whereas the Canadian government, even if it had identified grounds for taking action, was in the early 1980s not disposed to. It tended to regard this incipient extremism as simply another ingredient in the bubbling stew of Canada's immigrant politics. Moreover, the Sikh community, growing in size and concentrated in areas such as Toronto and Vancouver, was becoming more articulate and beginning to exercise political influence in its own right.

Golden Temple and its aftermath

By the beginning of June 1984, the situation for the Indian government in the Punjab had become untenable. Bhindranwale from his base in the Golden Temple was openly defying the central authorities. The killing of heretics (as defined by Bhindranwale), moderates and Hindus continued unabated. Criticism of the government over its perceived do-nothing approach had become intense, as had pressure to take strong remedial action.

The decision to act was taken, and on June 2 a strong force of the Indian army surrounded the Golden Temple. Even at that point it was evident that the government was acting with extreme reluctance. This was in fact underscored by Rajiv Gandhi in a meeting with the Canadian High Commissioner the day the assault commenced. Gandhi, in comments made as Indian troops were moving into position, emphasized that strict orders had been given to minimize violence and to avoid damage to the holy places. In particular, he said, the "holy of holies," the Akal Takht, was not to be entered.

While resistance was expected, the government did not anticipate the ferocious no-quarter battle which ensued. Calls for the Temple's occupants to surrender were met by heavy fire from well fortified positions. Intense fighting erupted and it was days rather than hours before the army could establish complete control. The battle claimed many lives. The government's intention to stay out of the inner precincts was voided and damage to the sacred Temple was severe.

The assault on the Temple set in train the chain of events which led on October 31 of the same year to the shocking assassination of Prime Minister Indira Gandhi by two Sikh members of her personal bodyguard. This in turn unleashed riots and retribution. By the next day, November 1, a heavy pall hung over Delhi and pillars of smoke rose from hundreds of fires. Even arrangements for ambassadors to pay their respects to the body of Mrs. Gandhi lying in state had to be made and unmade several times that day because security could not be guaranteed. Law and order in the capital and several other areas of north India broke down as thousands of innocent Sikhs were brutally massacred.

Sikhs react

Sikhs across India and around the world reacted with horror, shock and anguish to the June assault on the Golden Temple. If the excesses committed by Bhindranwale and his disciples in the name of religion had generated a strong even if muted body of moderate and opposing sentiment among the Sikhs themselves, differences were forgotten as all Sikhs mourned the violation of their holy place. Some Sikh soldiers deserted, aircraft were hijacked and acts of violence continued in the Punjab in spite of strict military control. In fact, the heavy hand of the occupying military forces during the months following the June action served mainly to alienate to a greater degree than ever the broad Sikh masses.

Whatever regret may have been felt by some Sikhs at the violent death of Mrs. Gandhi in October quickly turned to anger and more anguish as news emerged of the brutal massacres

The events of April and May 1987

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Bilateral Relations

USA

Reagan Visit

US President Ronald Reagan arrived in Ottawa on April 5 for a third annual summit meeting with Prime Minister Brian Mulroney. A *New York Times* report on April 6 said that, while White House spokesman Marlin Fitzwater defended US administration efforts in acid rain research, the Prime Minister in his first meeting with Mr. Reagan pressed for stricter controls on the sources of pollution. Mr. Mulroney told Mr. Reagan that, even if Canada were to eliminate all acid rain-producing emissions originating in Canada, only 50 percent of the problem would be dealt with (*Ottawa Citizen*, April 6). Mr. Reagan acknowledged that the remainder of the acid rain emissions were generated in the US. Mr. Mulroney then made a proposal for a binding, non-partisan treaty to deal with acid rain, in which the Canadian government, the Reagan administration and the US Congress would agree to targets and schedules for emission reductions in both countries. On April 6 Mr. Reagan told a special joint session of Parliament that he had been swayed by Mr. Mulroney's pleas, and had "agreed to consider the Prime Minister's proposal for a bilateral accord on acid rain." He added that such a pact would be "building on the tradition of agreements to control pollution of our shared international waters [the Great Lakes Water Quality Agreement]." External Affairs Minister Joe Clark described Mr. Reagan's statement as "an important step forward with regard to common action on acid rain," and pointed out that "up until coming here they [the US administration] have not accepted any of it [Canada's demands for curbing acid rain emissions over a specific timetable]" (*Toronto Star*, April 7).

The issue of Canada's Arctic sovereignty was also raised between the two leaders during the visit. The Prime Minister had written to Mr. Reagan on April 4 to say that Canada had tried to accommodate US concerns on the Arctic issue, but had been rebuffed, an April 7 *Globe and Mail* report said. As a result, any repetition of the US Coast Guard icebreaker episode of 1985 would result in Canada's taking its case for sovereignty to the World Court, Mr. Mulroney's letter said. In private discussions with Mr. Reagan during his visit, the Prime Minister reiterated Canada's position that the waters around the Canadian Arctic archipelago should be considered internal Canadian waters. Mr. Reagan, in his April 6 address to Parliament, said that, "after a full discussion of the Arctic waters issue [with the Prime Minister] he and I agreed to inject new impetus to the discussions already under way. . . We're determined to find a solution based on mutual respect for

sovereignty and our common security and other interests." The *Toronto Star* reported on April 7 that Canadian officials acknowledged that negotiations between the two countries had reached a virtual impasse on the Arctic sovereignty issue in the weeks leading up to Mr. Reagan's visit, but that the meetings had given the discussions "a shot in the arm."

The third issue which received attention from the two leaders during the visit was Canada's proposal, announced by Communications Minister Flora MacDonald in February, to allow the federal government to license film and video imports. A senior Canadian government official said that Mr. Reagan had questioned whether the policy would impede the flow of American films into Canada. The Prime Minister, he said, had explained to Mr. Reagan that the policy was intended to help develop Canada's film industry by keeping distribution profits in the country (*Ottawa Citizen*, April 6).

External Affairs Minister Joe Clark held talks with US Secretary of State George Shultz during the visit, and other Canadian ministers also met with their US counterparts. The US delegation returned to Washington on April 6.

Space Station

The *Ottawa Citizen* reported on April 7 that External Affairs Minister Joe Clark and US Secretary of State George Shultz had discussed, during their April 5-6 Ottawa meetings, the issue of the proposed militarization of a space station in which Canada planned to participate (See "International Canada" for February and March 1987). The report said that an official in Mr. Clark's office had stated after the discussions, "We still have concerns." The report also quoted Energy Minister Marcel Masse as having told *Le Devoir* that a final decision on the location of a proposed federal government space agency would be "tied into Canadian participation in the American space station. . . We have to ask ourselves if we need it." US President Ronald Reagan had given NASA permission on April 3 to proceed with development of the space station, at an estimated cost of US\$14.5 billion (*Ottawa Citizen*, April 4).

At a US congressional subcommittee hearing called to study the 1988 budget for the station, a letter from US Defense Secretary Caspar Weinberger to US Secretary of State George Shultz was released. Mr. Weinberger expressed in the letter his concern that the US would have paid "too high a price" for international participation in the space station if any agreement with Canada, Japan

and Western Europe over use of the station failed "explicitly to reserve the right to conduct national security activities on the US elements of the space station without the approval or review of other nations. . . . We must be prepared to go forward alone if the price of cooperation is too high" (*Globe and Mail*, April 9).

In an interview on April 9, Science Minister Frank Oberle said, "There is no doubt in my mind the Europeans would develop an orbiting space station if they pull out of the American project, and we have something to contribute." Meanwhile, as Canadian officials negotiated with NASA officials in Washington on an agreement for uses of the station, NASA administrator James Fletcher told a US Senate subcommittee that the US should not be swayed by complaints from its partners that the military would "take over" the station. "We [NASA] have always indicated that the Defense Department would be allowed to use the space station. . . . It is a national space station with international partners. . . . I don't think it's part of our plan to submit for approval or review any activities on the space station," he said, adding that to date the Defense Department had not made any requests to use the station (*Ottawa Citizen*, April 10).

On April 9 External Affairs Minister Joe Clark told the House that Canada expected the US to keep to its original space station agreement, which called for peaceful uses only. Outside the House, Mr. Clark said that "the issue is not whether we can persuade Mr. Weinberger. The issue is whether we can persuade the [US] administration to take a judgment against the position that is being put forward by Mr. Weinberger. . . . I made it clear to Mr. Shultz in private on two occasions. . . . What we have to do is make sure the Americans understand our position" (*Globe and Mail*, April 10).

The *New York Times* reported on April 10 that Mr. Weinberger's letter to Mr. Shultz had also stated that the US Defense Department was exploring "potential roles for military man-in-space," and that the department would "formulate specific plans" for military uses as the program progressed.

Later in April, Andrew Stofan, director of the program, told a space conference in Florida that a dispute between the US and its partners in the space station had been resolved in an agreement which rejected a proposed US Defense Department wording which would have reserved the military's right to use the station for "national security" purposes. Mr. Stofan said that the partners had objected to the wording on the grounds that "it must mean the US intends to go beyond international law" and the Pentagon might "go beyond peaceful purposes" (*Ottawa Citizen*, April 23).

The *Ottawa Citizen* reported the following day that a new draft agreement had been delivered to the Washington office of the European Space Agency, whose representative said that it was at that time only an agreement "reached within the [US] inter-agency process. . . . That does not mean that we have agreed yet."

On April 27, Ashton Carter of the Center for Science

and International Affairs at Harvard's School of Government said in Ottawa that the proposed space station would not be suitable for military purposes, and that Canadians should not be worried about possible Pentagon plans for its use. The presence of people aboard the station would make it too unstable for high resolution photography, and its position in orbit would be too far from the military satellites of any country to give it any offensive role, Professor Carter said. He added that the Pentagon had been opposed to the station from the beginning because it had little or no military value and because it would draw funds away from military projects (*Ottawa Citizen*, April 28).

The *New York Times* reported on April 28 that NASA had called on April 24 for bids on the final design of the space station. The first phase of the program, which would include the elements to be contributed by Canada, Japan and Western Europe, would be permanently habitable by the end of 1995. The elements provided by the partners in the project would be carried to the station during an initial sixteen space shuttle flights, the report said.

Corn Duty

The issue of an 85-cent per bushel Canadian duty on US corn imports became controversial again during this two-month period, following a March decision by the Canadian Import Tribunal, which ruled that imports of subsidized US corn used in livestock feed and a variety of industrial products were injuring Canadian corn growers (See "International Canada" for October and November 1986). A US trade bill amendment, which would provide farm groups with up to US\$500,000 to fight countervailing duties on US agricultural products, was seen by the Ontario Corn Producers' Association as another subsidy to US corn producers. Spokesman for the Ontario growers, Terry Daynard, said the association had asked the Canadian government to try to convince US President Ronald Reagan to veto the amendment proposal. He pointed out that producers, including Canadian farmers, who opposed US countervailing claims had always paid the costs of their own defence, and he claimed that a fund such as the one proposed would allow US producers to afford to try every legal challenge to stall Canada's imposing duties, until Canadian producers could not afford to fight any longer. The Ontario Corn Producers' Association had budgeted \$100,000 to defend its claim, Mr. Daynard said, and legal costs had already exceeded that amount, with a series of public hearings, three appeals in the US federal court and a GATT challenge of the Canadian Import Tribunal's decision still to be faced (*Ottawa Citizen*, May 5).

In Geneva on May 5 the subsidies committee of GATT met but reached no decision on the validity of the Canadian duty. The request for a hearing had been made in April by the US. The committee asked for more information on the Canadian decision, and a US administration spokesman said the issue would be discussed during the first week of June (*Ottawa Citizen*, May 7).

Steel

On April 8 International Trade Minister Pat Carney announced that she would introduce a bill to monitor all steel shipments into and out of Canada. The legislation would be aimed at defusing US protectionist sentiment which had grown after Canadian steel took 5.7 percent of the US market in January 1987 — as compared to less than 3 percent in 1985 — largely as a result of a 6-month strike at USX Corp. of Pittsburgh, the largest US steel producer. The monitoring proposal, according to spokesmen for Canadian steel producers, would prove Canadian allegations that Canada was being used as a "back door" into the US steel market by countries whose governments had negotiated voluntary restraint agreements on steel shipping. Canada had not signed any such agreement, but had pledged restraint. The new legislation would be in the form of an amendment to the Export and Import Permits Act, and would require Canadian steel exporters to apply for permits which would state the country of origin of their product (*Ottawa Citizen*, April 9).

The *Globe and Mail* reported on April 15 that Canada's share of the US steel market had dropped to 4.2 percent in February, but that the total US steel imports had reached 25.4 percent of the US market. Pressure for Canada to join the US "voluntary restraint agreement" or VRA program continued to be placed by Republican Senator John Heinz of Pennsylvania, whose aide said that Canadian shipments were "still very far from anybody's definition of historical levels [of about 3 percent of the US market]."

In its April annual report to shareholders, Stelco Inc., Canada's largest steel producer, stated that it could operate without tariff protection in its own home market, but it was being choked off in the North American market by a proliferation of US non-tariff barriers to trade. The report spoke out in favor of a free trade agreement with the US, stating, "The Canadian steel industry can handle elimination of tariffs over an appropriate time period but, in the other areas, we need a new set of negotiated rules which recognizes that Canada is different from the other trading partners of the United States. . . Only by creating a North American trading community can the world's two largest trading partners improve the competitive position of their own industries and, at the same time, adopt common measures that will deal with unfair aspects of international trade" (*Globe and Mail*, April 22). Stelco chairman and president John Allan told the annual meeting that the company had "practised restraint and prudence" by cutting its shipments of steel by 16 percent in the previous two years, mainly to long-standing US customers. "Quite frankly," he said, "we do not intend to allow participation in this market to deteriorate further. . . We took a long-term leadership approach in this matter" (*Toronto Star*, April 28).

The president of Dofasco Inc., Canada's second-largest steel producer, told his company's annual meeting in late April that "In the third and fourth quarters of 1986, we declined twice as many orders as we accepted. . . We are of course reluctant to decline new opportunities. . . [but] it is the prudent course in the present circumstances." Paul Phoenix added, however, that

despite their best efforts to "stress our tradition of fair trade," there was little Canada's steel producers could do to combat the militantly protectionist mood of the US congress. "They're not interested in fair, foul or anything else. What they want is less trade," he said (*Globe and Mail*, May 2).

The *Globe and Mail* reported on May 9 that the Canadian government had tabled its legislation to monitor all steel shipments entering or leaving Canada. The bill did not lay out the exact procedures to be used, and a federal official said that the government was discussing details of the administrative system with the steel industry, the report said.

Representatives of the US steel industry met in Washington later in the month to discuss the industry's future. They said that they would seek an extension of the 5-year import restraint program, scheduled to expire in 1989, and that they wanted Canada included in the extension (*Globe and Mail*, May 21).

Finally, on May 29 the *Globe and Mail* reported that monitoring of Canadian steel exports to the US would begin on June 1. A spokesman for External Affairs said that virtually all shipments of carbon steel leaving Canada would require an export permit, and shippers bringing steel into Canada would be required to tell the government where the steel came from and where it was going. International Trade Minister Pat Carney told the House, "We believe that Canadian steel is fairly traded and that trade restrictive measures at the US or any other border are not warranted. . . We expect the US administration to continue resisting pressures from the US industry and Congress to deal fairly with steel imports from Canada."

Acid Rain

The acid rain issue received attention again during this 2-month period (See "International Canada" for February and March 1987). The *Globe and Mail* reported on April 3 that a group of US congressional and environmental analysts said there were many political hurdles within the US administration and congress which would have to be cleared before US President Ronald Reagan's pledge to spend US\$2.5 billion over five years on finding ways to burn coal cleanly would mean much in reality. Among the major uncertainties, the report said, were whether a deficit-conscious US congress would approve the expenditure on clean coal technology, and whether the administration would manage the program in such a way as to maximize benefits to Canada. The group estimated that cross-border pollution produced by acid rain-causing emissions would not be affected by the program until the late 1990s, if any effect took place at all, the report added.

Also early in April, a spokesman for a review group of US and European scientists, whose findings on acid rain in the Northeastern US had been used by the US Environmental Protection Agency (EPA) to support political opposition to acid rain controls, said that EPA numbers on lakes that could be acidified in the area had been preliminary only, but that EPA administrator Lee Thomas had used the review group's lower numbers to suggest to some Republican politicians that "you may not need to bring (sulphur

dioxide emissions) down at all" (*Globe and Mail*, April 6).

While US President Ronald Reagan and Prime Minister Brian Mulroney agreed in Ottawa to pursue talks aimed at a binding treaty to set targets and schedules for acid rain-causing emissions (See USA — Reagan Visit, above), a report in the April 7 *Globe and Mail* said that an August 1986 airborne forestry survey by the Quebec government indicated that 52 percent of the maple trees north of the St. Lawrence River and east of Quebec City had sustained light damage (11 to 25 percent foliage missing). Gilles Gagnon, a Quebec government forestry ecologist who was heading a special research project on the decline and death of Quebec's maple trees, said, "The levels [north of the St. Lawrence] are higher than we believed," adding that the results showed a "constant progression" throughout the maple forests from west to east. Scientists believed there was a link between air pollution — including acid rain — and the increasing numbers of dying and damaged trees.

Later in April the administrator of the EPA, Lee Thomas, told a US Senate environment subcommittee that he had opposed Mr. Reagan's April 6 promise to Parliament that he would consider a treaty with Canada on acid rain. Mr. Thomas said that he would recommend the promise in hindsight, but added that there was no scientific evidence to support an emissions control program that Canada had been seeking for years. He said that he thought two more years of research were necessary before a US policy change could be considered. "If I thought today I was facing a situation that was an ecological emergency, I'd act today on the scientific information I have today. I don't feel I'm at that point." US Senator George Mitchell, head of the subcommittee, called Mr. Thomas's comments deeply disturbing, and said that Mr. Reagan's statement to Parliament had been "a little rhetoric to make Mulroney feel good, to enable Mr. Mulroney to claim some form of victory in the summit for domestic political consumption in Canada. . . . It has had zero effect on the policy of the United States as evidenced by [Mr. Thomas's] statements here today" (*Globe and Mail*, April 23).

On April 28 Canadian and US officials met in Washington to talk informally about how to implement Mr. Reagan's April 6 promise in preparation for the first formal meeting in May. Both sides were said to be nervous about the next steps to be taken, particularly in light of Mr. Thomas's comments the previous week. The Canadian embassy had protested against the remarks, the report said, and the US State Department had issued a statement, cleared by the EPA, saying that Mr. Reagan had "agreed to a process and not to specifics" (*Globe and Mail*, April 28).

Findings from an 8-year study by two University of British Columbia researchers added to the acid rain controversy in early May. David Bates and Ronnie Sizto found from hospital records and air pollution readings in Southern Ontario that high levels of ozone and sulphates in the months of July and August coincided with a doubling in hospital admissions for people with respiratory

problems such as emphysema, bronchitis, pneumonia and asthma. The researchers said much larger numbers of sufferers might not bother to go to hospital. They also said they were not certain which of the pollutants present in acid rain were responsible (*Ottawa Citizen*, May 8).

In Washington near the end of May, Canadian and US officials met for the first formal discussions of a pact to reduce acid rain. A May 22 *Globe and Mail* report said that Canadian officials were planning to push for negotiations on a clean-air pact based on Mr. Reagan's April 6 statement to Parliament. A report on the meeting the following day said that the two sides had agreed that a working group would meet during the summer to continue talks. Canadian delegates had outlined Canada's position, admitting they would be flexible in applying a timetable for reducing emissions in the US (*Globe and Mail*, May 23).

Freer Trade Negotiations

Canada-US negotiations on free trade remained a controversial issue during this 2-month period (See "International Canada" for February and March, 1987). An April 3 *Globe and Mail* report said that US Trade Representative Clayton Yeutter had said, in response to the federal and Quebec governments' providing GM Canada with an interest-free loan to modernize its Ste-Thérèse factory, that the issue of subsidies was not one-sided. "We have state governments that provide similar kinds of programs here in the United States. . . . So clearly this has to be looked at in a balanced way with respect to the interests of both countries," Mr. Yeutter said in Washington.

US President Ronald Reagan, during a 2-day visit to Ottawa in early April, said at a state dinner that he looked forward "to the day when our California wines, toasted the world over, are available throughout Canada, without hindrance, for your dining delight, just as Molson's ale is available to every American table." Mr. Reagan called the plan for a free trade pact "bold and farsighted," and urged his audience not to "lose sight of the grandeur of what we seek. We remain hopeful that we can conclude an agreement this year" (*Globe and Mail*, April 6).

The chairman of the US Senate subcommittee on trade told a group of Ontario legislators in Washington on April 6, "I think this concept of [Canadian] cultural protection is really a misconception." The Senator from Hawaii said the two countries' cultures should be blended into one and trade between the two conducted as in one country, "so when we say free trade between Canada and the United States, I would mean the same sort of relationship that exists among the fifty states in the union" (*Ottawa Citizen*, April 8). In the House on April 8, the Prime Minister promised an "unrelenting" defence of Canada's cultural identity, telling opposition MPs that the US Senator's "point of view is shared by no one in this House of Commons."

The next round of negotiations took place in Washington on April 9 and 10. Canada's chief negotiator Simon Reisman said after the first day that he credited US President Ronald Reagan with giving the talks new impetus by throwing his support behind the talks during his visit to

Ottawa, adding that the talks had been "very much" more upbeat during this round (*Globe and Mail*, April 10).

Canada's ambassador to the US, Allan Gotlieb, had a slightly less optimistic view of the talks' progress when he addressed the Empire Club in Toronto on April 9. Mr. Gotlieb said, "Protectionism is a patriotic issue in the United States. . . . There's a political sentiment that the rest of the world isn't playing fair." He warned that if Canadians were to make a free trade agreement work, they would have to accept that the US congress, which was considering a far-reaching protectionist trade bill, was the center of power when it came to trade legislation. International Trade Minister Pat Carney, however, said in Ottawa the same day that it was up to Mr. Reagan to teach the US congress about Canada and push it to support a free trade agreement (*Ottawa Citizen*, April 10).

Ambassador Gotlieb, in a diplomatic note to the US State Department and in a letter to key committees of the US congress, expressed later in April Canada's opposition to trade proposals that were making their way through the congress. Mr. Gotlieb's protest said, "A number of these proposals, if enacted, would contravene the obligations of the United States under the General Agreement on Tariffs and Trade, would exacerbate an already tense trade climate, and could jeopardize the current international trade negotiations and result in mirror legislation or retaliation" (*Toronto Star*, April 24). Further evidence of Canada's eagerness to be exempted from protectionist measures under the new US trade legislation was obtained by the *Toronto Star* during the same week. The document, distributed by US chief negotiator Peter Murphy to some members of the congress, stated that "Simon Reisman. . . understands that if there is to be any progress on these issues, Canada must demonstrate it is prepared to undertake increased discipline in its own practices. . . . Canada has indicated that it would agree to no longer bail out specific industries or firms, but is pushing the US to undertake similar discipline. While we have been in contact with the National Governors' Association, this looks like an extremely difficult task to achieve." The memo added that some kind of blanket exemption for Canada from countervailing duties "could be too much for congress to accept, [however,] it appears some face-saving device may be required to get the Canadians to sign an agreement" (*Toronto Star*, April 24).

At the beginning of the next round of negotiations, Mr. Reisman said, "If one can't get a big agreement, there'll be no agreement. . . . One of the big problems is that tariff concessions we have bought and paid for [under international trade agreements] are eroded and undermined by the ability of the United States to unilaterally apply trade remedy laws. We will not accept that. . . . Any notion that we would settle for more tariff cutting and leave the United States with unilateral rights to determine when they apply them and when they don't is silly. We wouldn't do that." Mr. Murphy on the same day repudiated suggestions by a senior US trade official that the two sides might find it easier to strike a limited deal that would cut tariffs but not settle issues such as investment, trade in services, subsidies and Canada's desire for some form of immunity from

US trade laws. Mr. Murphy said, "From my standpoint, we're still very interested in a big deal" (*Ottawa Citizen*, April 28).

Communications Minister Flora MacDonald, in a discussion paper released on April 29, made clear that the interests of Canadian cultural nationalists would remain safe from free trade negotiations, and that she remained unmoved by US lobbying against new Canadian government policies aimed at nationalizing the book publishing industry and easing Hollywood's hold on the North American film distribution industry. The paper declared that "The ability of Canadians to express themselves to Canada and the world is not negotiable," and concluded that Canadian culture remained in jeopardy despite existing safeguards. Without safeguards, the paper said, "the position of Canadian cultural industries would erode further." The paper argued that Canada's cultural industries had long been denied their proper share of the domestic market because of the powerful presence of foreign competitors: "The vast majority of books, films and records available here are produced elsewhere. And the revenues generated by their distribution largely flow out of Canada to finance production industries elsewhere" (*Ottawa Citizen*, April 29).

At the end of April, during a 4-day visit to Hong Kong, International Trade Minister Pat Carney said that Canada did not support a US congressional proposal to restrict the level of imports entering the US "because it is aimed at Japan." The Minister added that the so-called Gephardt amendment could upset plans to conclude a free trade agreement between Canada and the US by the end of 1987, an April 30 report in the *Ottawa Citizen* said.

On April 30 the US congress passed an omnibus trade bill, the first of many steps to be completed before new trade legislation was to reach Mr. Reagan later in the year, which contained several key provisions that troubled Canadian officials. Among the most troublesome were:

- A broader definition of illegal subsidies, which interpreted almost any government support for an industry as subject to countervailing duties;
- Mandated retaliation against foreign countries' unfair trade practices, which could escalate global trade tensions;
- Changes to anti-dumping rules which would more effectively catch countries whose products accounted for only a fraction of the imports under investigation.

The chairman of the House of Representatives subcommittee on trade, Sam Gibbons, described the subsidy measure — of particular concern to Canada because it drew largely on US Commerce Department rulings from the Canada-US softwood dispute — as something that "seems to satisfy everyone in [the US]." The congressman added that "There's an underlying belief in the American congress that, sooner or later, we are going to get together on a free trade zone." He said, however, that he opposed the creation of a unique set of trade laws for the two nations: "It would be difficult to write them. I don't know how we would do that" (*Globe and Mail*, May 1).

On May 8 the *Globe and Mail* reported that the US administration was demanding that the Canadian government drop the nationalist features of its proposed film distribution policy. The report said that one senior US trade official said, "The visibility of the issue is such that it is a threat to our ability to muster the support we need [for the free trade talks]," and that Canadian officials in Washington agreed with that position. Another senior US official was quoted as saying, "We see there's a need to encourage Canadian culture, but there's a difficulty in doing it at the expense of US firms." In defending the proposal, the report said, a senior official in the Department of Communications had pointed out that Canada, unlike other countries, was not treated as a separate market from the US, and that 95 percent of distribution revenues from all films imported into Canada flowed out of the country. On the same day, International Trade Minister Pat Carney told the House, "We feel that some Americans have overreacted to this proposed policy and have blown this all out of proportion. . . . Legislation will be introduced." The Minister said it was understandable that the US film industry should want to maintain control over Canadian distribution, however, she said, "We intend to make sure the distribution process is now open to Canadians. . . . Any adverse impact on the [US] industry in this country will be small compared to the continuing profits, and would be infinitesimal compared to the US surplus in the trade of cultural goods and services, which is [US]\$1.3 billion a year." Under the proposed legislation, Canadian distributors could acquire rights for any foreign-made film that was not "significantly financed" by a US studio (*Ottawa Citizen*, May 9).

On May 18, at the beginning of another 3-day round of free trade talks at Meech Lake, Quebec, Canada's chief negotiator Simon Reisman said that there were "some big rocks to move." He referred in particular to Canada's desire for a new trade dispute settlement mechanism, and the US desire for relaxed investment restrictions. While Mr. Reisman declared he was optimistic about reaching an agreement, he also said that there would be no agreement if the major issues could not be settled, and that he doubted this could be done before the end of June, when the Prime Minister was to meet the provincial premiers to discuss provincial ratification of a draft agreement (*Ottawa Citizen*, May 19).

During the first day of the Meech Lake round, a working group to study the investment issue was established, according to a *Globe and Mail* report on May 20. In the House on May 19, Ms Carney told NDP trade critic Steven Langdon, in response to a question as to whether Mr. Reisman would be given a mandate to negotiate a more open investment policy, "I have pointed out that. . . we have an open investment climate; that we have Investment Canada; that we have attracted record-breaking levels of foreign investment that have created jobs in this country and that we are interested in any job-creating plans that are brought forward in the free trade talks. But I have made it very clear that there is no mandate being given to the negotiators beyond that which I have outlined."

At the end of the round of talks on May 20, both chief negotiators said that the difficulties were major and the talks were getting "tough." Mr. Reisman acknowledged that the investment issue was shaping up as a major obstacle. "I can tell you," he said, "that I now know what the Americans want in the area [of investment] beyond trade-related issues. And I've conveyed that, and the government is weighing that. . . . I think I can be very candid with you on that. I think the United States' side has made it very clear on every level. . . that they're anxious to talk about investment in the broadest sense." When asked how far he thought the government would go in the investment issue, Mr. Reisman said, "Canada is open for business; Canada is not for sale" (*Toronto Star*, May 21). In the House on May 20, Opposition Leader John Turner called on the cabinet to reject "the absurd American demand for unlimited takeover of vital Canadian industries." Mr. Turner said that the Prime Minister "has been selling off the country at \$1 billion per month through Investment Canada, to such an extent that no one can take seriously the government's record on protecting Canadian sovereignty. And certainly the Americans do not take it seriously."

The *Toronto Star* reported on May 30 that US special trade representative Clayton Yeutter — when asked by reporters during a 6-city television hookup on the US Information Service program Worldnet what issues remained unresolved in the bilateral negotiations — said, "I suppose the simple answer would be 'Most all of them.'" Mr. Yeutter also claimed that he was still optimistic about the US congress having a proposed agreement in hand by October 1, "but," he added, "there's no way that we can say at this point in time that we've resolved all of our differences, or any of the major issues." Mr. Yeutter said that he believed "the vast majority of the members of our US congress would prefer not to be protectionist. They're simply frustrated over some of the trade barriers that exist around the world, frustrated over a \$170 billion trade deficit." And, despite the looming deadline, Mr. Yeutter said, he wanted to see a broad agreement for "free and open borders in all the major economic issues and challenges that we can have between us."

Britain

Impounding of Aircraft

On April 26 an Air Canada L-1011 jet was seized by British Customs officials at Heathrow airport after they found a container with 331 kilograms of hashish. The container, which the plane had taken on at Bombay, was discovered at Heathrow after the plane had taken off. On its next Heathrow stopover, the plane was seized. A spokesman for British Customs said, "We have the right to seize

vehicles used in drug smuggling, and so we made the decision to act against this specific aircraft when it next came through Heathrow. I can assure you we do not exercise our powers lightly. We would not, for example, seize an aircraft if we were confident the owner did not know what he was carrying" (*Globe and Mail*, May 2).

Lawyers for Air Canada, in examining whether British Customs had acted within its power to impound an aircraft after the smuggled goods had been unloaded in a previous stopover, said, "As far as we are concerned, we are being abused, badly abused. This [drug smuggling] is rampant through Heathrow. This is not just Air Canada. . . . Every passenger and cargo airline carrying goods into Heathrow has this kind of problem because they [smugglers] are using them all." British Customs officials said they had impounded the plane because Air Canada had adopted lax cargo handling procedures in Bombay. But an Air Canada official pointed out the Indian government required all foreign airlines to contract out the on- and off-loading at Bombay, and that Air Canada had contracted with Air India to do it. He added that the Bombay terminal was often chaotic, and although Air Canada had a supervisor there, policing procedures was often very difficult (*Ottawa Citizen*, May 2).

France

Fishing Dispute

Less than one week before Canadian officials arrived in Paris for talks with French government officials on the St. Lawrence Gulf fishing dispute (See "International Canada" for February and March, 1987), the *Globe and Mail* reported on April 18 that the controversy had failed to generate any national interest in France. The only regions interested were Normandy and Brittany, the report said, where fishermen said that their colleagues in St. Pierre-Miquelon had had their interests looked after by the French national government, while the metropolitan French fishermen's interests had been sacrificed by their government in order to strike an agreement with Canada.

Two days of talks on April 23 and 24 in Paris ended with both sides agreeing to hold another round of talks at an unspecified place and time, a Canadian official said (*Ottawa Citizen*, April 25).

Mitterrand Visit

French president François Mitterrand arrived in Canada on May 25 for a 5-day visit that was the first by a French head of state since then-president Charles de Gaulle in 1967. Just prior to his arrival, Mr. Mitterrand's itinerary was changed to exclude a stopover at Gander, Newfoundland. The change sparked accusations by some Opposition members that the Canadian government was afraid to have the French president meet with angry Newfoundland fishermen, and Canada's ambassador to France, Lucien

Bouchard, admitted that he had been worried about possible demonstrations against the president. However, Mr. Bouchard denied that he had expressed these fears in such a way as to influence the itinerary. Meanwhile, Prime Minister Brian Mulroney, in an interview with *Agence France Presse*, said that, while the fishing dispute was important, he intended to press France for an end to "crazy" international farming subsidies. The Prime Minister pointed out that Mr. Mitterrand would be the first French president to see the Canadian west and meet the farmers who were suffering the consequences of international agricultural wars (*Ottawa Citizen*, May 22).

On the first day of his visit — in what the *Toronto Star* called a bid to heal once and for all the 2-decade-old rift between Ottawa and Paris caused by former president De Gaulle's "Vive le Québec libre" speech in 1967 — Mr. Mitterrand told Parliament, "France and Canada are in unison. . . . Vive le Canada, vive la France" (*Toronto Star*, May 26).

In his speech to Parliament, Mr. Mitterrand called on Canada to join France in proposing to the upcoming Venice economic summit that the world's rich countries make an additional effort to help the Third World. Calling the gap between rich and poor nations a major threat to the world in the next century, he called for an increase in the capital of the World Bank to aid Third World countries caught in a debt crisis, saying, "Is it normal that the poor countries have to pay back each year more than they receive in new capital? Can they ask their people to produce endlessly more to receive less and less a share of what comes from their labor?" Mr. Mitterrand called "hypocritical protectionism" the problem in all areas of trade: "We must push back protectionism in every area," he said. The French president touched only briefly in his speech on the fishing dispute between Canada and France, but later that day, at the Prime Minister's residence, Mr. Mulroney and Transport Minister John Crosbie both told Mr. Mitterrand how important the fisheries question was to Canada (*Globe and Mail*, May 26).

After a brief visit to Quebec, Mr. Mitterrand flew to Saskatchewan, where he met with Premier Grant Devine and a group of wheat farmers. In Toronto following his prairie visit, he blamed the US for the subsidy war over wheat prices that had forced many Canadian farmers into bankruptcy. "The United States are infinitely favorable towards their agricultural producers, and distort the true laws of the marketplace in the most brutal fashion," he said, while acknowledging that the European Community — including France — and Canada also subsidized their wheat farmers. He called for concerted negotiations at GATT on protectionism, saying, "The Saskatchewan wheat farmer would be the first beneficiary of a truce in protectionism. That is why it is so important to negotiate at GATT an agreement to do away with abuses. . . . No one should escape the investigation. . . . An industrial country cannot ask a major agricultural producer to give up the protection it feels it needs while the industrial country is trying to dominate the industrial or services market" (*Globe and Mail*, May 29).

After his 5-day Canadian tour, Mr. Mitterrand told a crowd in St. Pierre that there would be no new agreement on fish quotas between France and Canada unless Canada rescinded its decision to close Canadian ports to French fishing vessels (See "International Canada" for February and March, 1987). He called the action "hostile" and "unjust." While the decision had not harmed the French metropolitan fleet, which did not use Canadian ports for refuelling or repairs, it did harm the St. Pierre-Miquelon fishermen, who said they were forced to go hundreds or thousands of miles, to the US or France, for repairs. "We didn't invent the rights of the sea and up until recently, we were able to share the sea, but the refusal to accept the [January] agreement [on fish quotas] is quite unjust. . . . Canada tried to impose a solution on us by force, but that is unacceptable behavior," Mr. Mitterrand said. He did not, however, agree with St. Pierre mayor Albert Penn, who demanded that Mr. Mitterrand show the same "backbone" as British prime minister Margaret Thatcher had shown Argentina during the Falklands dispute. "The solution to our problems with Canada is not the Falklands solution," he said. "We are on the same side as Canada in most things, except when it comes to the rights of St. Pierre and Miquelon. . . . Agreement with Canada is still possible, but the process will have to begin anew." Prime Minister Brian Mulroney had told Mr. Mitterrand at the beginning of his tour that Canadian ports would remain closed to French fishing vessels until a new agreement over quotas was reached with France (*Ottawa Citizen*, May 30).

German Democratic Republic

Clark Visit

External Affairs Minister Joe Clark arrived in East Berlin on May 5 after a 3-day visit to Poland (see below). Following a meeting with East German leader Erich Honecker, foreign minister Oskar Fischer and other officials, Mr. Clark told a news conference that Canada rejected the Soviet idea of a major international conference on human rights. "In our view, what's needed now is not more conferences on the question, but compliance with what has been undertaken." The Minister also told a dinner audience on May 6, "We attach the highest importance to greater respect for human rights, greater respect for the freer flow of people, information and ideas across the borders between East and West and the reuniting of families. These are more than formal obligations. They are the standard by which Canadians judge the commitment to the Helsinki process [of human rights and security in Europe]" (*Ottawa Citizen*, May 7).

The following day Mr. Clark told East Germany's foreign minister that Canada supported the World Jewish Congress (WJC) demand that East and West Germany unite in acknowledging responsibility for what was done by the Third Reich. Canada sought a lump-sum payment of \$4 million for property owned by Canadians that was

seized by the Nazis after 1938. The East German government had said that it bore no responsibility for the actions of the Hitler regime, but Canadian officials said they had indications that East Germany would be willing to make some kind of payment to the Canadians and the WJC to settle the matter, as long as the question of direct responsibility were ignored (*Globe and Mail*, May 8).

Mr. Clark left the German Democratic Republic on May 7 for a 2-day visit to Hungary.

Japan

Lumber Tariff

The *Ottawa Citizen* reported on April 2 that Japan's protective tariff on imports of spruce, pine and fir lumber was reduced from 10 to 8 percent on April 1. The reduction did not, however, cause a Canadian delegation which had been in Japan for eight days of interparliamentary discussions to be optimistic about Canada's future in the Japanese lumber market. One of the main problems seen by the Canadians was that lumber from the US — mainly hemlock for house construction — was exempt from the Japanese duty. "We can't compete fairly until we have the same access as the US," said one Canadian official in Tokyo. Talks on the lumber issue were to continue in Ottawa the following week, as government officials from Canada and Japan held annual meetings on bilateral economic issues.

Automobile Parts

William Winegard (PC — Guelph), chairman of the Commons External Affairs and International Trade Committee, told representatives of the Japan Automobile Manufacturers Association of Canada (JAMA) in mid-April that he did not support calls for legislation to impose minimum levels of Canadian content in cars for the Canadian market, but that Japanese car makers should agree to minimum levels for their own good, an April 16 *Globe and Mail* report said. David Worts, JAMA's managing director, told the Committee that Japanese manufacturers intended to meet the 60-percent level of Canadian content required for duty-free access under the Canada-US auto pact, but that they could not do so overnight. Finding Canadian parts makers able and willing to meet the rigid quality requirements of the Japanese auto assemblers would take time, and the car makers were not sure how much, he said. "My feeling is that they are reluctant to make a specific commitment until they are sure that they can meet that commitment," Mr. Worts added. Mr. Winegard said that, while he sympathized with JAMA, their refusal to set a firm timetable for meeting content levels looked bad. If the Japanese had not made their commitment before North American overcapacity forced the loss of thousands of Canadian jobs, he added, then they would become the obvious targets for public anger, and there

would then be not one single government in Canada that would be able to stand up against public pressure for punitive measures: "That, in essence, is going to be up to you," he told the JAMA representatives.

NDP trade critic Steven Langdon said in the House that JAMA Canada was using threats of investment cut-backs "to try to scare our government. . . They think, frankly, that they've got a bunch of patsies to deal with." Mr. Langdon charged that the Japanese companies had the expertise to determine when a 60-percent Canadian content level could be achieved, but they objected to the establishment of a timetable because "they would prefer for their own sake to be left free, not to be tied down" (*Windsor Star*, April 16).

Carney Visit

International Trade Minister Pat Carney was in Japan from April 24 to 26 for talks with Japan's minister of international trade and industry Hajime Tamura, US trade representative Clayton Yeutter, and European Community commissioner for external relations Willy De Clercq. Officials travelling with the Minister said that Canada's support for Japan's efforts to expand domestic consumption was paying off with Japan's increasing concern for bilateral trade issues with Canada. Mr. Tamura told Ms Carney that he would raise with Japanese prime minister Nakasone on April 27 the issues of removal of the tariff on Canadian lumber, changing the Japanese building code to promote the use of Canadian lumber in multi-storey construction, and maintaining Canada's coal market in Japan. One Canadian official said at the end of the talks, "Our support for the Japanese is taken in self-interest, because we think that is the best way to get our concerns acted upon here and our market in Japan expanded" (*Ottawa Citizen*, April 27).

Poland

Clark Visit

External Affairs Minister Joe Clark paid a 3-day visit to Poland from May 3 to 5. The *Ottawa Citizen* reported on May 4 that — only hours after Mr. Clark had made a speech praising the Polish government for its lifting of martial law and freeing of political prisoners — two Canadian journalists who had filmed a Polish national day protest outside a Warsaw cathedral were arrested and detained for about two hours by police. The two men, both reporters for CBC French-language television, were released without charge and with an apology from Polish authorities, but their film was being held, the report said.

On the first day of his visit, Mr. Clark also spoke of the importance of countries such as Canada and Poland discussing "across alliances what might be possible" in terms of a role for medium-sized powers in NATO and the Warsaw Pact. He stressed that this was the first time he

had had the opportunity to visit a Soviet bloc country that was still in the midst of intense political and economic change. "It's also a particularly important time in terms of East-West relations because there may well be the possibility of real progress on arms control," he added (*Ottawa Citizen*, May 4).

On the following day, the Minister met three leaders of Solidarity, the banned Polish independent trade union, who told him that they would not cooperate with stringent new economic measures being considered by General Jaruzelski until there was further progress on political reforms. And on the third and final day of the visit, Mr. Clark said that the Polish leader had asked him during a 90-minute session for more Canadian economic assistance. The Minister said on leaving Poland that he had found the country to be "more liberal" than he had expected (*Ottawa Citizen*, May 6).

South Africa

Diplomatic Protest

On April 15 Canada's ambassador to South Africa, Ronald MacLean, delivered a strongly worded diplomatic protest to the South African foreign affairs ministry, urging South Africa to respect the rule of law and withdraw emergency regulations authorizing wholesale arrest and detention powers for the police. Mr. MacLean had rejected an earlier summons to the foreign office, claiming that the planned briefing was an abuse of the diplomatic process and "an election gimmick." The message from the Canadian ambassador also included an expression of Canada's concern for the safety of children held in custody, and of Canada's abhorrence of mothers with infants being held. In expressing these concerns, Mr. MacLean told the South Africans that Canada hoped to assist in a peaceful solution to South Africa's racial conflict.

In response to the Canadian protest, South African officials defended the emergency regulations as essential protection against a revolutionary onslaught intended to destroy the existing order. They also repeated the charge that Canada and other Western nations were irresponsible in not speaking out more clearly and frequently against the violence and terrorism being wreaked on South Africa by revolutionary forces (*Ottawa Citizen*, April 16).

Anti-Apartheid Register

External Affairs Minister Joe Clark in mid-April launched a \$30,000 campaign to bolster Canadian public opposition to apartheid, only a few weeks before the May 6 South African national elections. The Minister wrote to 30,000 households across Canada, inviting the recipients to add their names to the Canadian Anti-Apartheid Register, an official federal government document symbolizing Canada's opposition to the apartheid policy. The

South African embassy expressed surprise at the timing of the letter. "To choose the election date to rally Canadians to a cause that makes no practical contribution toward the South African government's reformist aims is extremely disappointing to us," said Dermot Bennett, press liaison officer at the embassy.

The first volume of the register, containing 2,500 company, association and individual names, had been presented in the fall of 1986 to UN Secretary General Javier Perez de Cuellar. The second volume would be presented in the fall of 1987 (*Globe and Mail*, April 25).

Sanctions

Following an April 25 military raid by South Africa on the resort town of Livingstone, Zambia, the NDP called for an immediate break of diplomatic relations with South Africa. Howard McCurdy (NDP — Windsor-Walkerville) told the House that it was time the Canadian government acted on the promise of Prime Minister Brian Mulroney to sever diplomatic ties if South Africa did not dismantle apartheid. External Affairs Minister Joe Clark called the killing of four civilians during the raid "acts of murder," and said that his words should show Canadians that words alone would not cause the Pretoria government to change its policies, that economic sanctions were necessary. The Minister rejected the call to break ties at that time (*Globe and Mail*, April 28).

New Ambassador

On May 12 South Africa's new ambassador to Canada, Johannes De Klerk, presented his diplomatic credentials to Governor General Jeanne Sauvé. The government accepted Mr. De Klerk's credentials, with Mme Sauvé reiterating Canada's position on apartheid as she recognized the new ambassador. "As the Prime Minister has mentioned on several occasions, Canada will continue to press for the abolition of apartheid in South Africa [and] the creation through peaceful means of a government fully

representative of all its people," the Governor General told Mr. De Klerk. In the House, Lloyd Axworthy (Lib — Winnipeg-Fort Garry) said it was wrong for Canada to let Mr. De Klerk take up his new duties because little progress had been made in dismantling apartheid. External Affairs Minister Joe Clark replied that the government did not believe it would be proper to curtail diplomatic relations while there was still hope of persuading the Pretoria regime to reform its racial policies (*Ottawa Citizen*, May 13).

In an interview with the *Ottawa Citizen*, the new ambassador talked about the possibility of a one-person, one-vote policy ever being introduced in South Africa. "We have come to the conclusion that Western democracy... is not a perfect system in South Africa," he said, "when you are dealing with people of different cultures, [people] who don't have the history of the democratic process or participating in it. So it's not as simple as saying that come tomorrow, we accept democracy on a one-man, one-vote basis. We have to negotiate it." He criticized the African National Congress and other anti-apartheid groups who "aren't prepared to bring about change through the democratic processes." When asked how the black majority could accept a democratic system in which they had no vote, the report said, he replied, "It all has to be negotiated. It's all very complex, very difficult" (*Ottawa Citizen*, May 20).

The Vatican

Papal Visit

The Vatican announced on May 8 that Pope John Paul II would visit Fort Simpson in the Northwest Territories in 1988. Bad weather had forced the Pope to cancel his trip to Fort Simpson in 1984, and he had promised to return to the remote Dene community. No exact date was given by the Vatican (*Globe and Mail*, May 9).

Multilateral Relations

NATO

Brussels Meeting

External Affairs Minister Joe Clark attended a 1-day NATO meeting in Brussels on April 15. On arriving back in Ottawa, Mr. Clark described the discussions as "positive," although "there was no specific talk" about verification proposals put forward by Canada. Mr. Clark said NATO members had been briefed by US Secretary of State George Shultz on the progress of his talks that week with

Soviet leader Mikhail Gorbachev and Soviet foreign minister Eduard Shevardnadze. During the talks Mr. Gorbachev offered to dismantle short-range missiles deployed in East Germany and Czechoslovakia as part of an agreement to withdraw hundreds of US and Soviet medium-range missiles from Europe. Mr. Clark said that he had been impressed by the fact that Mr. Shultz chose to speak to NATO members before flying to California to brief US

President Ronald Reagan. He said he took this as a sign that the US was willing to consult NATO members closely on the issue (*Globe and Mail*, April 17).

NATO Flights

A band of Innu Indians pitched tents on the runway of Canadian Forces Station Goose Bay on April 21 to protest the resumption of low-level flights by NATO fighter jets. The Innu believed the flights disrupted the migratory patterns of caribou, on which they traditionally relied for their livelihood. The tents did not interfere with military base activities (*Globe and Mail*, April 22).

European Defence Contribution

A spokesman for the Department of National Defence said on April 22 that, after two years of planning, Canadian troops and equipment took twenty-one days to meet Canada's NATO commitment to Norway. "We could not have done it in less time," said spokesman Don Marsh. The military exercise in the fall of 1986 involved the largest movement of Canadian troops and equipment to Europe since Canada joined NATO in the early fifties. "Physically, it can be done. We proved that," Major Marsh said. "The question is, whether from the time Norway asks for help, will we have the luxury of 21 days to get there?" In addition, he said, the exercise took place under conditions considerably better than those that would exist at a time of war.

On May 23, during a meeting in Quebec City of politicians from sixteen NATO member countries, Canada was criticized by Norwegian politicians for its expected decision to withdraw from its 19-year Norway commitment, a May 24 report in the *Toronto Star* said. Mr. Beatty had not announced a decision to withdraw, but the Norwegian delegation fully expected him to do so in his White Paper, the report said. Prime Minister Brian Mulroney had addressed the conference on May 22: "I can tell you that whatever is going to take place will have been done in complete consultation with our allies, and will be in the best interests of Canada, our security, and our sovereignty, and the alliance. . . . Our proposals will, I think, find the widest possible favor in NATO and with our allies around the world," the Prime Minister said.

Strategic Defence Initiative

During his speech to the NATO delegates at the May Quebec City conference, Prime Minister Brian Mulroney sent what the *Globe and Mail* called a "clear warning" to the US that the Strategic Defence Initiative (SDI), or so-called Star Wars program, must never pose a first-strike threat to the USSR. The Prime Minister said that Canada continued to support Star Wars research, but with two important notes of caution: "First, extreme care must be taken to ensure that strategic defences are not integrated with existing forces in such a way as to create

fears of a first strike. And second, we cannot allow strategic defences to undermine the arms control process and existing agreements" (*Globe and Mail*, May 25).

Budget Guidelines

NATO defence ministers from fifteen countries reaffirmed in Brussels on May 27 a 3-percent real annual increase in defence spending as a guideline target for member states. After a 2-day session of the Defence Planning Committee, the ministers said that cuts in superpower nuclear arsenals would enhance the importance of "removing conventional disparities" between NATO and the Warsaw Pact. NATO officials said that only five member nations had fulfilled the 3-percent goal each year. The federal government planned to increase Canada's defence budget by 2 percent a year into the 1990s (*Globe and Mail*, May 28).

OECD

Ministerial Meeting

Finance Minister Michael Wilson and International Trade Minister Pat Carney attended the OECD Ministerial Meeting in Paris on May 12 and 13. The Ministers called the meeting the first step toward the goal of agricultural trade reform, with the OECD ministers having reaffirmed in their final communiqué the commitment made at Punta del Este to deal with agriculture in the Uruguay Round of GATT talks. They also pledged concrete action to end the escalation of the agricultural trade wars (Government of Canada communiqué, May 13).

European Community

Carney Meeting

International Trade Minister Pat Carney met in Brussels on May 11 with European Community (EC) commissioner for trade relations Willy De Clercq. In the first EC visit by a Canadian trade minister to be devoted solely to Canada-EC trade issues, Ms Carney said she expected "to be discussing. . . ways to tap the enormous potential for growth in trade and investment between Canada and the EC." Recent statistics showed Canadian exports to the EC were on the rise, with total 2-way trade at nearly \$21 billion in 1986 (International Trade communiqué, May 8). During the meeting with Mr. De Clercq, Ms Carney said that proposals to tax imports of vegetable and fish oils threatened to disrupt friendly trade relations between Canada and the EC. An EC spokesman said that the proposed oils levy was the only issue threatening an otherwise harmonious relationship: "Most of the trade problems we have are technical," she said (*Globe and Mail*, May 12).

Cairns Group

Ottawa Meeting

On May 21 a 3-day meeting of fourteen countries known as the Cairns Group of free trading nations began in Ottawa. The Group, whose members accounted for 25 percent of the world's agricultural exports, included: Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, Philippines, Thailand and Uruguay. The communiqué issued by delegates at the conclusion of the meeting said that the Group saw a positive shift in political will towards ending agricultural subsidies, but that actions on the part of the EC, the US and Japan contradicted verbal commitments and, as a result, "over the past year, the problems of low prices and surplus production had worsened." Among the Group's specific targets were an EC proposal to introduce

a consumer tax on vegetable and fish oils, and US protectionist trade legislation before congress. Cairns Group chairman, Australian trade minister John Dawkins, said the Group welcomed an agreement in principle by the OECD nations to halt agricultural trade wars, but he said that the OECD had been silent on the matter of timing, which he said was a crucial factor, given the US presidential election of 1988. While the US congress grew more protectionist, Mr. Dawkins said, "the current [US] administration remains our strongest ally in terms of achieving early progress on the matter." He ruled out the possibility of retaliatory trade measures being taken by the Group, saying that it would concentrate on using GATT negotiations in the hope of achieving agreement on agricultural trade policies by the end of 1988 (*Globe and Mail*, May 25).

Policy

Aid

Ethiopia

During a brief visit to London on April 8, Canadian ambassador to Ethiopia David MacDonald said that there had been a "dramatic, almost unbelievable, turnaround" in most parts of Ethiopia since the 1985 drought, but dry weather and a return to the ravaged Ogaden area of people who had fled to neighboring Somalia had combined to create serious problems. "This could mean that one million people are going to be in very dire straits unless we can somehow give them enough of a cushion and in some cases even safe drinking water," Mr. MacDonald said. A spokesman for World University Service of Canada (WUSC), which had long been working on water projects in the Ogaden, said that WUSC would present new proposals for action to the government at a meeting the following week (*Globe and Mail*, April 9).

Aga Khan Urges Investment

On May 14 the Aga Khan, spiritual leader of fifteen million Ismaili Moslems, told a Canadian business audience that the right mix of private enterprise and official foreign aid was needed to assist Third World countries in making stable economic progress, while the reasonable

return on investment, the opportunity to develop new resource bases and the large and increasingly better-educated workforce were all compelling reasons for Canadian business to invest in the Third World. The *Toronto Star* reported on May 15 that the Aga Khan's speech drew rave reviews from both politicians and business people in the audience. "We've received the message and we'll do what we can," said Bill Boggs of DeHavilland Aircraft.

Aid-Rights Link

The Commons External Affairs and International Trade Committee report, issued on May 28 following a year-long study and entitled *For Whose Benefit*, recommended that those countries with the worst records of human rights abuses be denied direct Canadian government financial aid. No specific countries were named in the report, but the Committee suggested that Canadian embassies and a new system of field offices should report back on the human rights situations in target countries. External Affairs Minister Joe Clark refused to comment on the report, but said that it was often difficult to define human rights standards. "There is sometimes a difference between developed and developing countries as to human

rights questions," the Minister said. Lloyd Tataryn, a spokesman for Amnesty International, said that Amnesty had urged the government to consider human rights records when dispensing direct aid. However, he said, "We do not advocate that aid be taken away from a country or be granted to a country because of their human rights record. . . . People ask us all the time who is the worst human rights abuser and we just can't categorize countries in these terms." The Committee also recommended a decentralization of CIDA, with the establishment of five or six regional CIDA offices around the world. Committee chairman William Winegard (PC — Guelph) said that the current decision-making process in CIDA "boggles the mind," and that Canada's foreign aid programs were "beset with confusion of purpose," and despite a strong reputation abroad were little known or understood in Canada (*Ottawa Citizen*, May 29).

Immigration

New Refugee Legislation

On May 5 a bill to establish a new refugee determination process was introduced in the Commons by Employment and Immigration Minister Benoit Bouchard. Highlights of the bill included:

- A streamlined process cutting the stages of inquiries, hearings and appeals from eight to three;
- The completion of claims in less than six months, instead of the three to five years under the system in place;
- The establishment of a non-adversarial refugee board.

In order to proceed to the refugee board, people claiming refugee status would have to first convince an immigration adjudicator and a refugee board member that their case had merit. Claimants would also have to show that they did not come to Canada via a "safe country" where they had had a "reasonable opportunity" to make a refugee claim.

Liberal immigration critic Sergio Marchi (York West) described the legislation as flawed, saying, "There is a trading off of the safety of human life for an expeditious hearing." Michael Cassidy (NDP — Ottawa Centre) called the bill "a blot on Canada's achievements in giving safe sanctuary to refugees. . . . Central Americans coming to Canada from the United States would be deported from Canada without a right to a hearing of their claim and told to claim refugee status in the US, even though the acceptance rate there is only 2 percent as opposed to nearly

50 percent in Canada. Although it is technically correct to say that we will not be deporting genuine refugees back to torture and death, we will be letting the United States do our dirty work for us. We cannot shut our eyes to this injustice." Michael Schelew, a spokesman for Amnesty International, described the bill as "an about-face on Canada's humanitarian record, that may place people fleeing persecution in jeopardy." He added that the legislation specified points of law only as grounds for an appeal of a negative decision by the refugee board to the Federal Court of Canada. The appeal was not automatic, he said, and could not be argued on the merits of the case. "In this country," he said, "if you are fighting a case involving \$500 or more, you have an automatic right to appeal. We are now talking about refugee claimants. . . about their life, liberty and security of person, and this government is not going to give them an automatic right to an appeal." Barbara Jackman, representing the Canadian Bar Association, said the legislation did not meet the three principles supported by the association: a hearing for every claimant before an independent body; oral hearings; and a right to an appeal on the merits of the case.

Minister of State for Immigration Gerry Weiner said, "We tried to put some fairness into the system. This is not a theoretical world. It's the real world. It requires realistic solutions, not naiveté. We need objective criteria, not subjective opinion." Mr. Bouchard said he hoped the legislation would be passed before the end of 1987, adding that it would take four months after that before it was proclaimed and the new system was put into place.

Raphael Girard, head of the refugee determination task force for the Department of Employment and Immigration, said on May 5 that between 40 and 50 percent of those people arriving at Canadian international airports and border crossings would be denied access to Canada's proposed refugee determination process under the new legislation, and, "based on projections," only about one-third of those who made it past the pre-screening process and obtained a hearing would eventually be accepted as genuine refugees (*Globe and Mail*, May 6).

Defence

White Paper Due in June

Amid speculation on the future of Canada's defence roles in NATO and the Arctic, the Department of National Defence announced on May 21 that its White Paper outlining defence policy to the end of the century would be released on June 5 (*Ottawa Citizen*, May 22).

For the Record

(supplied by External Affairs Canada)

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reminiscent for many of the horror of partition in 1947. The community's sense of alienation was deepened still further by allegations of political involvement in the riots and the failure of the government either to order an immediate investigation or to bring the perpetrators to book.

In Canada Sikhs responded to the Golden Temple assault with demonstrations in a number of major centers. Serious incidents occurred at Indian missions and threats were made. In July the Acting Indian High Commissioner was assaulted in Winnipeg. Tales from the Punjab filtered in, alleging army atrocities in the rounding up of suspects and the treatment of the detained. Public opinion within the Sikh community was inflamed.

Reaction among Canada's Sikhs to the assassination of Mrs. Gandhi was more of less identical to that of Sikhs in India. A small number openly celebrated. The news of this was flashed back to India and generated enormous resentment. The Sikh community at large tended to the view that justice had somehow been done. Violence was not at an end, however, and in the months following the Delhi disturbances, extremist activity in Canada took a significant upturn. The culminating event, which shocked the sensibilities of all Canadians to the core, was the blowing up of an Air India airliner over the Atlantic in June 1985 by terrorists operating from Canadian soil. The same day saw a near miss against an aircraft of Canadian Pacific carrying a bomb destined for another Air India flight.

Heightening tension

The events of mid-1984 sharpened India's focus on anti-Indian elements in Canada. Concern was expressed over the increasing activity and influence of the extremists. The Indian government was particularly outraged over the failure to arrest the perpetrators of the attack in Winnipeg on their representative, and the issue in fact became a touchstone for the Indians of Canada's resolve (or lack of it) to deal with extremist elements. Complaints were lodged with increasing persistence over a variety of issues such as the burning of Indian flags, the continued existence of the Khalistan consulates and disruptive demonstrations in front of Indian missions. Canada began to receive an increasingly bad press in India, and was presented as a hotbed of terrorist activity.

Practical fallout included the cancellation of an Indian ministerial visit, the postponement of other visits and a delay in the naming of a new Indian High Commissioner. Coolness was evident across the board in bilateral contacts. There were suggestions that major Canadian commercial interests were at risk. A visa requirement was imposed. By the end of the summer 1984 the relationship could only be described as "delicate."

Already highly sensitized to the threat from abroad — real or imagined — India's attitude following the October assassination verged on paranoia. Canada continued to be a focus of attention, it being alleged that a variety of violent groups were being permitted to pursue their activities without interference. By the spring of 1985 Canada was, in the eyes of the Indian government and press, a "disaster waiting to happen."

That disaster came in the form of the destruction of the Indian airliner in June. Canada was vilified in the press. The attitude of the Indian government was one of "I told you so." Canada's purported softness on extremism became the theme underlying all bilateral exchanges whether of a business, political or academic nature. By mid-1985, the political relationship

had reached its lowest point since the bitterness and misunderstanding engendered by India's so-called peaceful nuclear explosion in the early 1970s. While a break in the relationship was never a major threat, the possibility of a long freeze and of a wind-down of burgeoning trade and economic activity had become real.

Getting together after Air India

It should be noted that the crucial element for the Indian government in its view of Canada during 1984-85 was not so much the existence of extremism or terrorism as such, as it was the issue of whether the Canadian government was resolved to deal firmly with the situation. To put it bluntly, in the Indian view, Canada, prior to the destruction of the Air India flight, had not demonstrated that resolve. In consequence, whatever confidence had earlier been restored since the nuclear imbroglio of a decade earlier was rapidly eroding.

Canada's policy in the 1980s had been one of rebuilding and strengthening the bilateral relationship with India. Apart from traditional close ties with the subcontinent through the Commonwealth and a major role as development partner in the region, Canada saw in India, as one of the leading nations of the non-aligned and developing world, a valuable interlocutor. Moreover, India's expanding and increasingly liberalized economy was attracting the attention of Canadian business; exports were growing and the market was showing signs of becoming one of Canada's most important in Asia. Given this policy, the turn of events was generating considerable dismay and concern in the Department of External Affairs.

In actual fact, India's judgments of the Canadian scene were not particularly accurate. While up to the autumn of 1984 few officials in Canada beyond External Affairs were seriously occupied with Sikh extremism, the murder of Mrs. Gandhi and subsequent exchanges between Indian and Canadian leaders acted as a catalyst to rouse concern. By the following spring, anti-Indian terrorism had become a top priority for the relevant agencies in Canada.

If anything further was needed to focus attention and galvanize action, it was provided by the Air India disaster. From the bitterness of the aftermath emerged a firm determination by both countries to cooperate for the purpose of preventing a repetition of the tragedy or an expansion of other terrorist activity. The following months saw a succession of moves contributing to the refurbishing of the relationship. Collaboration in the investigation of the crash was exemplary. Arrangements were made for an upgraded even if carefully controlled exchange of information bearing on the terrorist threat. Bilateral consultations at the level of senior officials, several times postponed, were rescheduled. External Affairs Minister Clark tabled a draft extradition treaty and, during a visit to New Delhi in December 1985, issued an unequivocal statement underlining his government's determination to prevent the mounting of terrorist activity from Canadian soil. Conspiracies were nipped in the bud, arrests made and convictions obtained. The firm resolve which in Indian eyes had earlier been lacking was in the latter half of 1985 and first months of 1986 amply demonstrated. The result was the creation of a new climate of confidence.

Thus it was that the Sikh factor, initially divisive, served to bring the two sides closer together than they had been for more than a decade.

The poison of terrorism

Future relations

The Punjab turmoil continues unabated with the prospect of solution more elusive than ever. If anything is evident, it is that the problem is first and foremost internal to India and that peace will be achieved or lost on the basis of what happens in that country, not abroad. Canada cannot in terms of the fundamental issues be other than of peripheral significance.

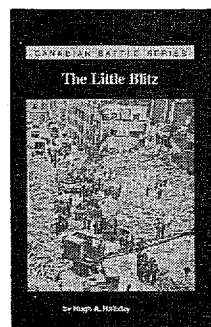
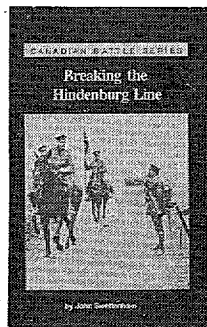
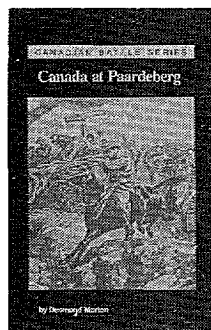
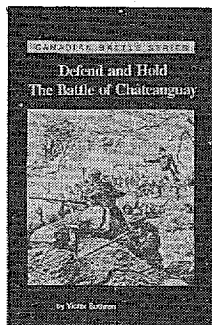
Yet the anti-Indian activities of expatriate Sikhs, including those in Canada, will continue to occupy the authorities in New Delhi. Apart from the irritant they represent, a more serious ongoing concern will be the threat to the security of India's political leaders posed by terrorists operating from foreign bases. The Indian government will almost certainly continue to measure the quality of the Indo-Canadian relationship in terms of Canadian ability and resolve to contain extremism in its various forms.

To the extent that Sikhs in India continue to feel a deep sense of hurt and alienation, so Sikhs in Canada will continue to be torn between deep-rooted attachment to their homeland and

hostility born of anger and frustration. As long as the crisis remains unresolved, Canadian Sikhs for the most part can be expected not only *not* to encourage the emergence of a closer relationship with India, but on the contrary to actively oppose such a development. The Sikh factor thus will continue as a potential irritant in the Indo-Canadian relationship for the foreseeable future.

Long-term bilateral prospects are good. The two governments have identified a number of common political and economic interests and have demonstrated a determination to work together to strengthen links in those areas. However, just as a top Indian priority must be to settle the Punjab crisis in a way calculated to return the Sikh community — which has contributed so much to India's history and development — to the mainstream, so a Canadian objective should be to allay Sikh concerns that the improvements in Indo-Canadian relations will be at their expense. The goal in the long run should be to harness the energy, talent and enterprising spirit of the Sikhs — the largest of the Indo-Canadian communities — to the building of stronger links between Canada and India, almost certainly a significant power of the future. □

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Cultural exchanges and Canada

by Robert J. Williams

For a number of years, the Canadian Department of External Affairs has conducted international cultural activities aimed at strengthening certain bilateral relations and at assisting Canadian cultural development at home and abroad. Although Canada's activities are modest in comparison with many European countries, sponsored activities now cover most of the fine and performing arts, academic relations, sports, and science and technology. The program involves not only External Affairs but many other departments and agencies of the federal government. As well, it builds upon contributions from voluntary organizations, quasi-governmental bodies (such as universities) and the provinces and their cultural organizations and programs.

It is evident that many observers regard "cultural agreements" as a noteworthy part of this program. Frequently, in fact, they are referred to "up front." Yet those who go in search of solid information on cultural agreements and an explanation of their purpose, scope and rationale, will come up with very little detail — even in Departmental publications.

How much importance?

Moreover, published remarks create two paradoxical impressions. One attaches prominence to cultural agreements. For example, as in most years, the Department's *Annual Review 1979* contained a chapter on international cultural relations. The very first item mentioned was the set of cultural agreements and the General Exchanges Agreement with the USSR. The text then summarized the periodic consultations and other developments during the year; no details of the agreements were provided. Apparently these cultural agreements are significant but are well enough understood by readers of the *Annual Review* to require no further explanation.

These agreements also appear to have cultural importance. A brochure issued in 1980 by the Department entitled *International Cultural Relations* summarized the principal long-term cultural objectives of the Department, then immediately added: "To attain these objectives Canada has undertaken exchanges with certain countries under formal cultural agreements." A list of the existing partners followed but the text moved immediately to describe other organizations participating in the wider program. Those seeking financial support through External's international cultural program apparently understood enough about cultural agreements to require no further explanation.

At the same time, other Departmental statements give a contrary message: the absence of an agreement does not preclude international cultural activities sponsored by External Affairs. The Department's *Annual Review 1977*, for

example, listed the existing cultural agreements, but added that Canada "also had active programmes of cultural exchange that were not governed by formal diplomatic instruments." Among the countries treated in this less formal way were several high priority targets for the cultural relations program such as the United States, China and the Netherlands.

This paradox leads to a number of basic questions. What actually are cultural agreements? Do they have anything to do with culture? Do they have anything to do with foreign policy? How do they relate to these other programs operating outside formal cultural agreements? The aim of this article is to remove some of the confusion about this important yet rather modest feature of the work of the Department of External Affairs.

Nature of "cultural agreements"

Canada's international contacts in the fields of culture and the arts, education, sport and so forth are achieved through a variety of relationships, some private and some public. Among the latter are multilateral links established through UNESCO or the Commonwealth and bilateral links such as co-production agreements (for books, films, videos and the like) or Memoranda of Understanding, as well as cultural agreements.

There is a popular tendency to describe all bilateral programs simply as "cultural exchanges" and to assume that they are driven by cultural agreements. A "cultural agreement" is actually a treaty with legal force under international law. Canada is presently a party to only six (see Box) which operate at different levels of intensity. Most cultural agreements commit the signatories to regular consultations through the so-called Mixed Commission arrangement. These bilateral meetings occur annually (in the cases of Belgium and Mexico), "at least every three years" (Italy) or "whenever necessary" (France, the Federal Republic of Germany [FRG] and Japan), and they alternate between Ottawa and the partner's capital. Canadian delegations to Mixed Commissions are typically drawn from External's Bureau of International Cultural Relations with support from appropriate desk officers (when the Commission meets in Ottawa), or from the post's cultural affairs officer and the Head of Mission or delegates (when the Commission meets in the partner's capital). As well, representatives of federal cultural agencies such as the Canada Council and some of the provinces often attend the bilateral talks.

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Art for politics' sake

It is at the meetings of the Mixed Commissions that the program from the previous period is assessed and formal programs of exchanges are established for the subsequent period. A set of minutes of the meetings, signed by both parties, constitutes the plan of activity for the ensuing period.

In addition to these meetings, Canadian officials hold biennial consultations with Great Britain, the Netherlands and China. The former two are based on informal understandings to hold "cultural consultations" between the two countries, while Canada and the PRC have exchanged notes agreeing to negotiate a program of cultural exchanges every two years. Because they are not established under formal treaties, these programs should be distinguished from cultural agreements *per se*. There is also the agreement with the USSR — already referred to — in which cultural matters are combined with many other kinds of exchanges.

Culture at "arm's-length"

Some observers are critical of cultural agreements as inconsistent with the prevailing relationship between government and the cultural sector in Canada. Our traditional "arm's-length relationship" differs from the operating style of many Eastern European and Third World countries in which an agreement is a prerequisite for all international cultural activities or, as in the case of France, it is simply the standard mode of international cultural activity.

Canadian practice is much less structured. Some cultural agreements sponsor small-scale programs and receive relatively modest amounts of money to support them, yet very elaborate programs are mounted and money is regularly expended in large sums entirely outside the framework of agreements. A cultural agreement is best characterized as one stimulus to international cultural activities involving federal authorities, the provinces and other public and private funding bodies. Indeed, some provinces have supplemented these agreements with their own bilateral programs in which cultural activities are an important component.

Furthermore, the Department of External Affairs is not in a position to make firm commitments on behalf of the cultural community or other agencies operating cultural programs; the arm's-length relationship means acting as an intermediary rather than as a controller. Thus, in the period prior to a Mixed Commission meeting, negotiations take place with numerous federal departments and agencies, performing artists and groups, individual galleries, museums and universities, and various provincial and municipal authorities across the country. The purpose of the negotiations is to discover what or who might be available for touring to the other country and whether Canadian cultural organizations are in a position to host incoming performers, exhibitions or experts. It is this requirement, probably more than any other, which explains the reluctance of the Department to sign additional cultural agreements: it takes a lot of External's time, energy and money to administer each one.

Bureaucratic judging

The operation of the cultural agreement — by definition — also requires some screening on the part of the Department. While there is always a commitment to sup-

porting excellence in the bilateral programs, other important considerations may preclude the selection of the most notable achievements or achievers in Canadian culture. For example, it is necessary to consider the acceptability or suitability of particular art forms in the receiving country or the distribution of Canadian regional interests among projects offered to the other party.

It is this point which seems to have led to a measure of confusion and frustration in the Canadian cultural community. For example, the Applebaum-Hebert Report noted in 1982 that because cultural agreements are "structured, the cultural component is vulnerable to manipulation for political reasons." It is true that the desire to manage exchange programs so as to maximize political benefits could supplant evaluations made purely on cultural grounds. What the Report appears to have done, however, is to attribute an overriding cultural purpose to these agreements. It is true that from the days of the Massey Report, External Affairs has been regarded as the primary agency to assist the Canadian cultural community in the international arena, and even today its mandate in the cultural area includes both "arts promotion" and "cultural presence." But cultural agreements have not been concluded primarily to enhance access to potential audiences or markets.

Three observations are pertinent at this point. First, cultural agreements are explicitly vehicles for mutual cultural relations and they embody as much of a commitment to import cultural activities as to export them. As such, they cannot be evaluated strictly in terms of their benefits to the Canadian cultural community. Secondly, the decentralized nature of cultural responsibilities in the Canadian federation complicates the achievement of mutuality, since many parts of the exchange program require the cooperation of the provinces and other cultural organizations whose priorities may not normally include contacts with the partner in question. Mutuality is, nevertheless, a fundamental premise of all cultural agreements. Finally, External Affairs has no mandate to act as an impresario in Canada, to underwrite or to operate incoming cultural events sponsored under a cultural agreement. It must find Canadian organizations in either the for-profit or not-for-profit sectors to implement most of the projects agreed upon. Overseas, External relies on locally based managers or organizations provided by the host country to handle arrangements for venues, travel and the like.

Why cultural agreements?

The foregoing remarks give some indication of the general nature of cultural agreements. What follows examines the reasons behind their existence and the purposes served by concluding them. It demonstrates that cultural agreements are essentially documents which serve domestic and external political priorities. To put the point another way, cultural agreements have not been signed primarily as a contribution to the advancement of the arts in Canada.

Many countries have approached Canada seeking cultural agreements; very few have been successful. Formal agreements, therefore, embody an assessment by the signatories that there were mutual benefits to be gained. It is unlikely, furthermore, that the pattern of Canada's cultural agreements is entirely random.

The first cultural agreement was signed with France in 1965. Officially it was aimed at establishing a framework for cultural cooperation between France and Canada. The real purpose was to legitimize (at the eleventh hour) initiatives already planned by Quebec to widen its international recognition and to sanction bilateral cultural relations between France and Quebec in fields under provincial jurisdiction (primarily in education, but also in culture and technology).

The second agreement, signed with Belgium in 1967, was intended to compromise Quebec's international aspirations since it vested Ottawa with exclusive responsibility for cultural activity with this potential Francophone partner. Both agreements assisted the federal government in re-asserting its traditional primacy in international affairs.

The second wave of agreements (with the FRG in 1975, Mexico and Japan in 1976) followed in the aftermath of the announcement of the "Third Option" in Canadian foreign policy. Each contributed, in somewhat different ways, to the quest to offset the dominance of the United States in foreign policy terms by formalizing a continuous relationship with these countries. It should be noted that the informal cultural consultations with the UK and the Netherlands also began around that time.

The renegotiated cultural agreement with Italy (replacing a 1954 exchange of notes) conforms to this pattern and brings additional symbolic political benefits in the light of the significance of the Italian immigrant community within Canada. It is noteworthy that this reformulation was originated by the Italian government; it was not a Canadian initiative. Since the conclusion of the two agreements in 1976, Canada has pursued what an External Affairs officer described as "a policy of non-proliferation in cultural agreements," resisting pressures applied by various countries to sign them and offering less formal arrangements instead.

Strange gaps

The pattern is remarkable for what is missing: there are no cultural agreements with various states in which Canada has often proclaimed an interest, for example in the Commonwealth Caribbean. The basic reason is that cultural agreements place financial obligations on both sides. Since the purpose of cultural agreements is to use Canadian cultural achievements to further Canadian diplomatic goals, it would be quite illogical — not to say unjustified — to use Canadian tax dollars to provide financial support for the programs of other countries which are aimed at influencing Canadian attitudes. Cultural agreements are not schemes for foreign aid and thus they have not been negotiated in those cases where Canadian financial and practical assistance for cultural activities would be more appropriate.

Also intriguing is the absence of agreements with other English-speaking countries with which Canada has traditionally been linked (Britain, the United States, New Zealand and Australia) and which might provide lucrative markets and receptive audiences for the Canadian arts and cultural achievements. Since these countries (and others like the Netherlands) all have open and accessible markets

for cultural products, bilateral cultural relations can flourish without cultural agreements. Contacts remain informal, unstructured, in private hands or, in some sectors, in the care of multilateral organizations.

The pattern of bilateral relations demonstrates that the treaties were established at times when economic or political issues involving the potential partner loomed in significance to Canada (e.g., Mexico). The benefits to the cultural development of Canada are secondary.

Preambles

A treaty's preamble provides the justification for the formal links embodied in the document. The message delivered in Canada's cultural agreements is consistent. There are only two basic themes: the furtherance of friendly relations and goodwill between the countries ("strengthen the ties of friendship") and the desirability of cooperation in various fields of endeavor. Only the French agreement adds a variation in its wish "to encourage the dissemination of the French language." Cultural exchanges and the rest of the proposed activities are means, not ends in themselves. References to the development of the arts or the raising of the standards of achievement in any area as a

Cultural Agreements Involving Canada*

- France (1967) **
- Belgium (1967)
- Federal Republic of Germany (1975)
- Mexico (1976)
- Japan (1976)
- Italy (1984) ***

* A great many statements on this subject, including some found in External Affairs publications, refer to seven agreements. This figure includes a document signed with Brazil in 1944 which is often called a cultural agreement. In fact, the two countries only ever exchanged notes. The title page of the official document (*Canada Treaty Series 1944, No. 15*) carries the title "Exchange of Notes between Canada and Brazil constituting an Agreement for the Promotion of Cultural Relations between the two countries." In terms of the distinction made in this paper between cultural agreements and other kinds of less formal bilateral relationships, it clearly belongs in the latter category. Furthermore, the arrangement is quite dormant. Sources in the Department of External Affairs maintain that neither side has attempted to follow through on the provisions of the agreement. The notes were apparently exchanged largely because of the individual efforts of the Canadian Ambassador of the day and not as part of any Departmental initiative.

** Dates indicate the year in which the Agreement was signed; in certain cases the Agreement did not come into force for some months.

*** Replaces an Exchange of Notes (1954).

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purpose behind the treaty are conspicuously absent. The ultimate goal is an improved (more sympathetic) attitude between the partners, among both those who shape opinion and those who are shaped by it. This is sought indirectly by providing opportunities to establish stronger public links and a greater appreciation of national achievements in a wide variety of endeavors.

The preambles demonstrate that cultural ends *per se* are not acknowledged as among the reasons for signing cultural agreements.

Programs

Canada's cultural agreements are fairly terse: none exceeds four pages of text and the longest (with the FRG) contains twenty-one articles. Most of the content is extremely vague and lacking in detail; the real substance is negotiated and approved in the Mixed Commissions. In this sense, the cultural agreement is more a "birth certificate" than a blueprint.

No two cultural agreements are identical in their contents, but broadly speaking, cultural agreements call for two major programs: "exchanges of persons" and "exchanges of (cultural) goods." The former may involve artists, academics, students, sports competitors and coaches, journalists, administrators and critics. The latter covers "artifacts" (paintings, books, films, displays), as well as live performances of music, drama, dance and so forth. Mutuality, as has been noted, is an essential feature of cultural agreements, although the exchanges need not be "in kind"; that is, a ballet company may be sent in one direction during a given year but museum curators may go in the other direction. Only the two earliest agreements (France and Belgium) refer specifically to scientific and technological cooperation but a large number pledge the signatories to encourage personal contact between analogous groups or institutions under the accord. Some specialized points — for example, exchanges involving experts in adult education, audio-visual technology and computer-assisted learning — are cited in certain agreements. There may also be a third form of activity, the promotion of each other's language, history or "culture" in appropriate educational institutions.

Other departments involved

Furthermore, where more purely cultural ends are sought, other arrangements are made. For instance, there are now nine formal agreements which authorize the co-production of films and videos, the most recent of which was signed with China in March 1987. These treaties are not the responsibility of External Affairs, but of the Department of Communications, since they are extensions of the latter Department's programs for stimulating and financing the Canadian feature film industry. The agreements provide the specific terms under which co-production may occur and are far more limited in their scope and more detailed in their contents than cultural agreements. In other words, co-production agreements embody the legal arrangements under which creative activity can occur in collaboration with partners in other countries. They are not manifest symbols of the political importance of the other signatory.

The exchange "package" for a cultural agreement must be approved by both contracting parties at the Mixed Commission meeting, but it is inevitably subject to constraints. Approval of the program commits External Affairs to some financial participation in most of the overseas projects planned (usually in the form of travel support), yet the annual cultural relations budget is not exclusively devoted to sustaining cultural agreements. It must cover a variety of activities in support of arts promotion and maintaining a cultural presence. In addition, the budget must respond to revised political priorities. It can be adjusted, for example, to allow examples of Canadian culture to feature in special cultural events overseas, such as the 1985 Holland Festival. Or, it might be modified to provide events to complement an overseas visit by prominent Canadian officials. As a result, the annual program may bear little relationship to the ongoing servicing of cultural agreements. This is part of the hesitation about undertaking cultural agreements: annual programs and priorities change, but cultural agreements persist.

Cultural agreements and culture

Cultural agreements were not developed to facilitate the search for cultural policy objectives overseas. Indeed, despite the terminology, "culture" in the form of creative activity (or the results of such activity) may be a very small part of an exchange package. A more appropriate characterization is that artists, academics, journalists and other Canadians assist in the pursuit of diplomatic goals through a set of formal programs which are made available to them through the auspices of a cultural agreement. In turn, cultural agreements should be understood in terms of the assistance they provide in supporting selected bilateral diplomatic relations, not primarily in terms of their contribution to the cultural life of the nation. They may make some contribution in this regard, to be sure, for artists or artistic organizations who tour overseas will gain prestige, experience and (likely) financial reward. Canadians will also be able to learn from and enjoy cultural experiences imported under the terms of these agreements. Yet the major responsibility for enhancing the quality of cultural life in Canada and the development of Canadian cultural institutions does not rest with the Department of External Affairs and, hence, such goals were not at the forefront when cultural agreements were signed by that Department.

The "culture" in cultural agreements is primarily a tool of diplomacy and not the end product of domestic cultural policy. Cultural agreements are contributions to Canadian foreign policy by encouraging extensive and continuous forms of interaction between Canadians and the citizens of selected countries of importance to Canada. Unfortunately, cultural agreements are frequently misconstrued because the label "culture" is attached to them. They are a modest feature of Canada's diplomatic conduct, but this does not mean that cultural agreements are inconsequential. It is evident, however, that the blurring of the line between content and purpose has hindered a widespread understanding of Canadian cultural agreements. □

Ozone layer, and warming CFCs

by John Eberlee

Last year the world received a shock when British scientists working at McMurdo Research Station in Antarctica confirmed that a steady decline in the South Pole's ozone layer was taking place. Scientists are still unsure why the ultraviolet-shielding chemical is disappearing, but suspicion has fallen on chlorofluorocarbons, or CFCs. CFCs are industrial chemicals best known for their roles as propellants in aerosol sprays and freon gases in refrigerators. But they have other uses. They are used in the production of foam products, and as liquid solvents for cleaning microchips. Scientists have been warning for over a decade that these man-made chemicals degrade ozone and thus pose a risk to our health and the health of our environment. But many governments, particularly European, have been slow to deal with this problem. Now, thanks to mounting public and diplomatic pressure, and the Antarctic "jolt," an international agreement to limit their use has been drafted. A regulatory protocol could be signed as early as this September, at a diplomatic conference in Montreal.

Canada had an important role in getting the negotiations on track. They began in March 1985 with the signing of the Vienna Convention for the Protection of the Ozone Layer. Canada and Sweden were instrumental in establishing this convention, which comes under the auspices of the United Nations Environment Program (UNEP). The Vienna Convention has been signed by approximately thirty countries, and ratified by close to ten. Canada was the first nation to ratify the convention, in June 1986. Other countries that have ratified it include Chile, Finland, Norway, Switzerland and the USSR. The convention commits nations to study the ozone problem, and to meet periodically to discuss solutions. Steps to freeze or cut the production of CFCs will not proceed until after a "regulatory protocol" has been signed — and ratified.

Stalking the regulatory protocol

The path to a regulatory protocol has not been smooth. Prior to the beginning of formal negotiations last December in Geneva, interested nations held technical discussions in London, Rome and Leesburg, Virginia. But the two major camps of CFC producers disagreed fundamentally on how far to go in cutting CFC production. The United States and the European Economic Community (EEC) between them account for 70-80 percent of global production. The US favored a gradual phaseout of CFCs over two decades. On the other side, the EEC resisted controls. As explained by Jon Allen, an External Affairs lawyer and legal expert on Canada's 3-person negotiating team, they wanted to freeze production at industrial capacity levels — so-called "production capping." "They're only now producing CFCs at 60 percent of production capacity. Not only could they maintain their current levels but they could increase their levels by 40 percent. That clearly is not acceptable."

The Canadian delegation helped to break the impasse, by proposing a plan flexible enough to accommodate all nations, be they net exporters or importers of CFCs. The Canadian plan took the middle road: an immediate freeze on the production of CFCs, short-term cuts and an option on longer-term cuts, based on future assessments of the danger to the ozone layer. Vic Buxton, Environment Canada's regulatory expert on CFCs and head of the negotiating team, drafted the plan. Other clauses spelled out in detail what chemicals to regulate, and how to treat Less Developed Countries (LDCs) coming into the era of heavy CFC consumption.

Time has since softened both camps. At the end of February in Vienna, a tentative agreement to freeze CFCs was reached. Two months later, in Geneva, April 27-30, a consensus to make production cuts was reached. The major producers — the United States, the EEC, Japan, the Soviet Union and Canada — agreed in a draft treaty to freeze production at 1986 levels by 1990. They also agreed to reduce 1986 production levels by 20 percent by 1992, and cut production another 30 percent by 1996.

CFCs — insidious innocents

Why all the fuss about CFCs? At first examination, these chemicals seem to be industrial angels. They are odorless and colorless. We can ingest them accidentally without much fear of illness. They are non-flammable. They do not cause cancer. They are ideal propellants in asthma sprays because they pass straight through the body untouched. They do not threaten our rivers, streams, lakes or oceans. They do not accumulate in ecological food chains. They do not directly threaten bald eagles, California condors, beluga whales, or other endangered species.

Just as many things we take for granted, they are part of everyday life. Not only are they excellent refrigerants and microchip cleansers, they are found in foam insulation and other products. They are found in the foam package that keeps fast-food hot long after it leaves the grill. They are also found in car seat cushions. Although some countries (including Canada) have banned their use in "non-essential" aerosols, many Europeans still use them to help keep underarms dry and sweet-smelling and to keep every strand of hair in place.

CFCs pose no direct dangers to earth, but they are slowly triggering what could result in environmental and climatic catastrophes. As atmospheric gases, they represent double threats. They degrade ozone, a bluish gas that shields life from severe ultraviolet rays. They also contribute to the "Greenhouse Effect," a global warming trend with potentially disastrous consequences. The two phenomena are unrelated, but they could both bring real and severe damage to the environment.

John Eberlee is a science writer in Ottawa.

Chlorofluorocarbons galore

How CFCs act

The world produces and uses about 800 kilotonnes of CFCs each year, and most of it ends up in the atmosphere, sooner or later, according to Dr. Alex Chisholm, Director of Environment Canada's Atmospheric Processes Research Branch and the scientific expert on the Vienna Convention negotiating team. Chisholm says CFCs may enter the troposphere (the lower atmosphere) almost immediately after product use. CFCs in aerosol sprays enter the atmosphere directly. The electronics solvent, called CFC-113, is a liquid. But it has a low vapor pressure and thus evaporates readily. In Japanese industries that recycle the solvent, as much as 2 percent may be lost each time it is used.

Chisholm says CFCs in polystyrene foam packages, such as hamburger packages and egg cartons, escape by diffusing through the porous material. CFCs will also escape when the packages are burned. Those used in flexible foam cushions also enter the atmosphere by diffusion. Freons used in refrigerators and air conditioning systems can be recycled, but the process is expensive. Freons may enter the atmosphere by the normal wear and tear endured by discarded appliances at the city dump. Used freons may represent the largest source of atmospheric CFCs. Although refrigerators can last for years, there is an increasing demand for new units through replacement of old refrigerators and expansion of markets. Many Third World nations are just coming into the era of home refrigeration.

Once CFCs are airborne, they do not pose an immediate threat to ozone. Most ozone is in the stratosphere, which extends from twelve kilometers to fifty-five kilometers above sea level. The journey upwards takes chlorofluorocarbon molecules about ten years. But CFCs do pose an immediate risk to the earth's climate. Chisholm describes the Greenhouse Effect as a one-way mirror that can reflect some, not all light.

Imagine one chlorofluorocarbon molecule at ten kilometers height. The earth emits infrared (heat) radiation upwards all the time. Suppose a percentage of that strikes a chlorofluorocarbon and is absorbed by it. The CFC is also a radiator and will radiate heat in all directions, so it reradiates some of the energy off into space and some back to earth. If you take the molecule away, all the infrared will go off into space.

Greenhouse Effect

Scientists are not sure what CFCs and other "greenhouse gases" will do to our climate. But some models predict melting polar ice, widespread coastal flooding, and accelerated desertification, in decades to come. Currently, CFCs represent a small contribution to global warming, at least 10 percent of the total effect, according to Chisholm. Other greenhouse gases, including carbon dioxide (CO₂), methane, sulfur dioxide (SO₂), and nitrogen dioxide (NO₂) outnumber them in the atmosphere. Many of these gases are also accumulating. CO₂, SO₂ and NO₂ escape from automobile and industrial exhaust, the destruction of tropical rain forests and other processes. The Greenhouse Effect will continue with or without CFCs. But scientists are anxious to remove them from the global warming equation because they are man-made, unlike the other gases, and therefore controllable. The potential threat CFCs represent is also growing disproportionately. If their use grows steadily, at 5 percent per year, by 2030 they could account for half of the total effect. This is taking into account projected growth rates of other greenhouse gases. Chisholm remarks, "It's a real problem.

Aside from the ozone depletion business, I think there is ample reason to consider banning the use of CFCs from the standpoint of climate change alone."

Long lives of CFCs

One reason that CFCs contribute disproportionately to global warming is that they absorb infrared light 10,000 times more efficiently than carbon dioxide, molecule per molecule. CFCs also have a long atmospheric lifetime. Scientists predict the most abundant forms, CFC-11 and CFC-12, will stay aloft for 80 and 120 years respectively. By contrast SO₂ and NO₂ may be washed from the sky within weeks.

It is this long lifetime that makes CFCs such a threat to the ozone layer. Dr. George Paraskevopoulos, a National Research Council scientist who has studied their interactions with other atmospheric gases, says CFCs slowly mix throughout the lower atmosphere and "eventually percolate into the stratosphere over many years." His colleague, Dr. Don Singleton, says the very property that makes CFCs benign to humans and hence desirable industrial chemicals — their unreactivity — eventually becomes a problem. They are practically indestructible. Only the sun's rays will degrade them, and only in the upper reaches of the stratosphere is radiation strong enough to do so. In the lower stratosphere, UV-absorbing ozone shields CFCs from degradation. In the upper stratosphere, the no-longer-protected molecules release chlorine ions that break down ozone. "One chlorine atom could destroy a million ozone molecules before some other chemical comes along to stop the process," says Paraskevopoulos. The chlorine will eventually wash down to earth as acid rain. But today's hamburger packages and discarded refrigerators will not stop being a problem until the second half of the next century.

Ozone poisonous and essential

The ozone layer is thinly distributed between twenty kilometers and forty kilometers above sea level, and is most abundant at twenty-five kilometers height. Although poisonous, ozone is vital to life. Without it, there would be no protection against ultraviolet radiation. Even small losses of ozone could cause problems. A reduction of 1 percent in the ozone layer means a 2-percent increase in the UVB radiation reaching earth. (UVB is short wavelength ultraviolet, the most dangerous form.) This corresponds to a 4-percent increase in the number of skin cancer cases worldwide. More UVB could also mean more cataracts and greater susceptibility to disease. Some crop yields could be reduced as could the world's supply of phytoplankton, which forms the base of all aquatic food chains.

There are signs the ultraviolet shield is already disappearing. Dr. Chisholm says global levels have decreased by about 1.5 percent since 1960. His colleague, Dr. Wayne Evans, chief of the Experimental Studies Division of Environment Canada in Downsview, Ontario, says ozone levels over Toronto have decreased by 4 percent over the last ten years. However, levels rose slightly during the 1960s. His team recently detected a miniature Arctic hole, but Evans says it is too early to tell whether the depletion is permanent.

Computer models of stratospheric chemistry predict that, if CFC use were to grow at 3 percent annually (the rate of growth is now 6 percent), by the year 2030 the ozone layer would be 10-20 percent depleted.

Getting moving

The dangers from CFCs are thus both real and immediate. As it now stands, the proposed Vienna Convention regulatory protocol will not take effect until 1990, and significant production cuts are not scheduled until 1992. This is intended to give industries time to phase out CFCs and phase in safer alternatives. Until recently, the CFC issue had been one of trade, not the environment, among European governments. According to Jon Allen, European producers probably trail American producers in the search for substitute chemicals.

Allen says the Europeans have done on the ozone issue what the Americans have done on the acid rain issue. At initial meetings, European delegates alleged that the science was incomplete, that more work was needed to assess properly the threat represented by CFCs and the extent of ozone degradation. On the other side, delegates from North America claimed there was enough evidence to justify cutting the production and consumption of these chemicals. This polarity ended at a recent technical gathering prior to the breakthrough talks in Geneva. Scientists from both sides of the Atlantic reviewed their models of CFC effects and unanimously agreed the data justified regulatory movement.

Pressure from scientists, diplomats, environmental NGOs and other governments have all helped catalyze a reversal of the "let's wait and see attitude" of EEC members. Some countries (West Germany, Denmark, Holland and Belgium) especially appreciate the environmental threat. Allen says the EEC now realizes their CFC industries are not in danger; companies that currently make them will likely make the substitutes.

Protect the less developed

Both Allen and Chisholm emphasize the agreement is still tentative. More negotiations are scheduled before the diplomatic conference in Montreal, September 14-16. A timetable for bringing LDCs into the regulatory protocol will be discussed at summer meetings. This issue is a particularly crucial one. Scientific models predict that world consumption of CFCs will continue to grow even if most developed nations cut production. The growth will come from the use of home refrigerators and other CFC products in LDCs. Any credible regulatory protocol has to include these nations. Unfortunately, few delegates from Third World countries have attended sessions of the Vienna Convention. Allen hopes bringing them to Montreal will help. But why should the protocol apply to these countries? The Canadian delegation favors an exemption for LDCs until they reach a certain consumption level. Then by the time they might be detrimentally affecting the ozone layer, cheap and safe substitute chemicals should be available.

Outlook for ozone and warming

With any luck, the Vienna Convention will live up to its name — the Protection of the Ozone Layer. It shows signs of succeeding. Less than three years will have passed between the initial signing and the diplomatic conference in Montreal. This is impressive, considering the usually slow pace of both diplomatic negotiations and scientific investigations. If the Convention lives up to its name, serendipity will have played a role. The discovery of the CFC-ozone connection, by California

scientists F. Sherwood Rowland and Mario J. Molina in 1974, was curiosity-driven. The two had little idea what they would find when they began studying the atmospheric fate of CFCs. Freons had already been in use for decades, but no one had bothered to research what impact they had until Rowland and Molina came along.

The Convention will have less success in halting global warming than in protecting the ozone layer. The Greenhouse Effect may be uncontrollable. It is fed not only by CFC consumption, but by pollution and the spread of agriculture. These causes are all related to population growth. We may not have to live with less ozone, but we might not escape a future planet that is both warmer and more crowded. □

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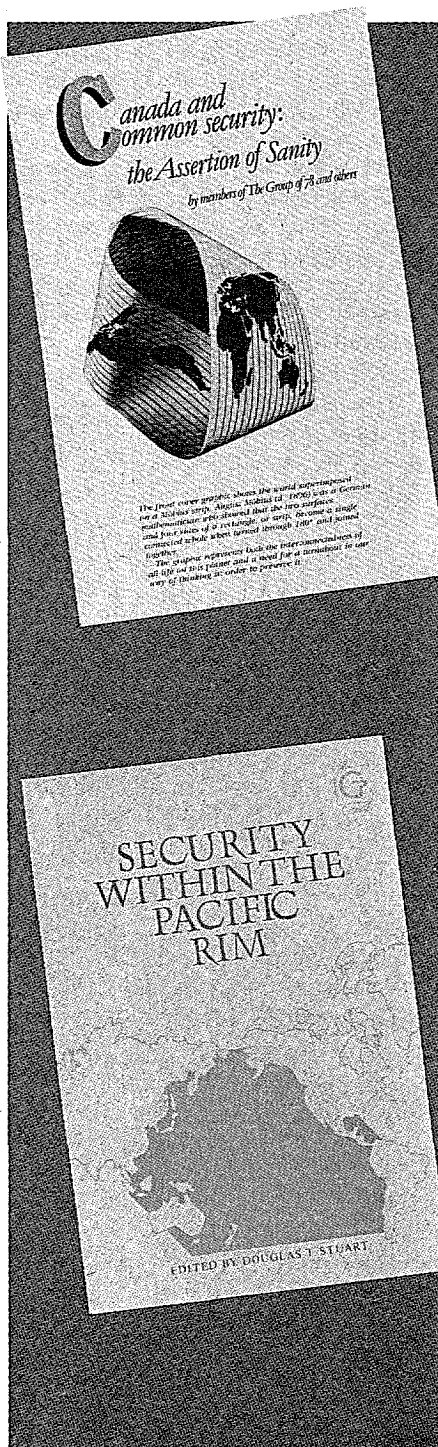
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Some of our best friends are allies

by Courtney Gilliat

Fighting Allies: Tensions within the Atlantic Alliance edited by Walter Golstein. Toronto: Pergamon Canada Ltd., 1986, 235 pages, \$51.50.

This book originated at the annual conference held in Italy in 1984 by the Committee on Atlantic Studies (CAS). Founded in 1964, the Committee brings together fifty scholars each year from several countries to assess policy questions that engage university and research institutes on both sides of the Atlantic.

This is an important book. The writers bring a new and fresh approach to old questions. Their focus is not so much on the East-West struggle but on the tensions within the Alliance. They try to answer the question, "Can NATO survive as a cohesive alliance beyond the 1980s?" The book is divided into three parts: (1) NATO's need to change; (2) member country studies; and (3) alliance trends and prospects. There are a total of fourteen articles by thirteen authors with extensive footnotes and bibliography.

In the first essay, Walter Golstein traces the historical aspects of the Alliance, and its regained dynamism in the face of the massive Russian strength and East-West tensions. This was the period from 1950 to 1973. Since then major differences have developed among NATO members in the economic field, in military strategy and in approach to arms control. These problems are carefully analyzed and assessed in essays entitled,

"Sharing the Defence Burden," "Theater Nuclear Forces in the NATO Alliance," "Changing the Conventional Defence of NATO," and "Superpower Arms Control and Strategic Nuclear Weapons." The problem of burden sharing has been especially divisive between the US and other NATO countries and may yet result in a reduction of US forces in Europe if it is not solved. The introduction of new military technologies and especially of the Strategic Defence Initiative will create severe strains in the alliance.

There are member country studies in part 2 from France, Germany and the United Kingdom, giving the national views on strategic issues, together with a chapter on the problems faced by the smaller NATO partners.

The third part contains chapters on "Secular Changes in the Atlantic Alliance," "American Public Opinion and Alliance Consensus," "The European Peace Movement" and a summation by Walter Golstein entitled "The Allies Fighting within the Atlantic System." Golstein concludes by saying that it appears to him that the Alliance will endure because the external conditions that led to its construction nearly forty years ago have not changed. The economic and political position of alliance nations has markedly improved, but two external factors still dominate their view of world affairs. The first is the towering and untrusted might of the Soviet military. The second is the weakening but still preeminent role of the US economy and its deterrent military strength.

In spite of all internal dissensions in NATO there is still fundamental agreement on two "regrettable and irreversible necessities, the threat of Soviet expansion, however it is perceived, must be continually contained; and the power of the United States, both in economic and political terms, has to be enlisted to secure the independence and prosperity of Western Europe."

I believe that most thinking people will support this conclusion. Therefore it would appear that NATO has a future as well as a past.

Global Strategy: Six National Viewpoints by the Canadian Institute of Strategic Studies. Toronto, 1985, 40 pages.

In 1984 the National Capital Branch of the Canadian Institute of International Affairs conducted a series of six lectures by representatives of the six countries (France, West Germany, United States, Japan, China and the USSR) on the subject of "Global strategy in the '80s." This booklet is the result of those sessions.

A series of questions were given to every speaker as guides in channelling their approaches to the subject of global security. The positions of France, West Germany and the United States were quite consistent, with full support for NATO solidarity in spite of difference of views on many issues, strong support for dialogue with the Soviet Union on arms control and support for INF deployment. The views of China and Japan were interesting since they are less frequently publicized. Each views its strategic interests from its own geostrategic position. Japan depends completely on the United States to provide its nuclear protection, while developing its own military force purely for the defence of Japan. China has no aggressive ambitions and wishes to have amiable relations with all its neighbors, while modernizing its society as well as its military forces.

The Russian viewpoint presented by Mr. Arbatov was most pessimistic since he believes that events have proven that the United States under Mr. Reagan is really not interested in a dialogue based on trust or in an arms control agreement.

This booklet is useful in that it does give a very condensed summary of the six national viewpoints at a particularly crucial time, when the need for dialogue on strategic issues, especially nuclear weapons, has never been greater, and when the obstacles to achieving an understanding between the superpowers seem almost insurmountable.

Canada and Common Security: the Assertion of Sanity by members of The Group of 78 and others. Ottawa: The Group of 78, 1987, 88 pages, \$10.00.

The Group of 78 is an informal group of Canadians working for a foreign policy that has as its objectives: (1) the removal of the threat of nuclear war, (2) a more equitable international economic order, and (3) a strong and revitalized United Nations system.

This magazine-sized, soft-covered publication contains articles by original members of The Group of 78 and others. There are a total of twenty-eight articles by thirty authors, plus an introduction. It is divided into four main parts entitled: Alternative Strategies to the Arms Race, National Policies for Regional Security, Common Security through Sound International Development, and Citizen Rights to Common Security and a Safe Environment. A conference in the fall of 1986 held by The Group of 78 on the subject "Approaches to Common Security" resulted in a letter to Joe Clark, Secretary of State for External Affairs, supporting certain policy initiatives to further common security. This letter is reproduced in the last two pages of this publication.

Five of the articles are in French, with a concise summary in English. Each article in English has a concise summary in French.

The theme of the publication by The Group of 78 is what they term "common security." It advocates the replacement of the "confrontational" approach to security by a call for "new communication, consultation and cooperation between the superpowers," and "as have been proven over ocean law and other matters, a coalition of middle and smaller powers can play a catalytic role in promoting a global agreement that will enhance the prospect of a sustained peace." The mechanism for achieving this "non-confrontational" approach to "common security" would not be through political parties or government organizations, but through the concerted actions of like-minded people in all countries.

The support for economic development in the Third World is the attempt to solve the problem of incipient

grievances which produce instability and could lead to internal insurrection or inter-state conflicts. Support for the United Nations is to try to enhance the rule of law in international intercourse and eliminate the need to resort to military solutions to resolve economic, political and other problems.

While one cannot argue with the stated objectives of The Group of 78, the method of achieving their objectives appears to be more idealistic than practical. This publication will appeal to Canadians with an inclination to be peace activists, but will have less appeal to those who believe that to have influence, and effect political change, it is necessary to work through the existing political process and power structure, and through collective security arrangements with other friendly nations.

Courtney Gilliatt is a retired Canadian military officer living in Ottawa.

Selling arms: the US way and the Canadian way

by John M. Lamb.

U.S. Arms Exports: Policies and Contractors by Paul L. Ferrari, Jeffrey W. Knopf and Raul L. Madrid. Washington, D.C.: Investor Responsibility Research Center, 1987, 342 pages, US\$60.00.
Arms Canada: The Deadly Business of Military Exports by Ernie Regehr. Toronto: James Lorimer & Company, 1987, 273 pages, \$16.95.

With the televised Conragate hearings occupying most of the summer, the attack on the USS Stark by an Iraqi plane firing an Exocet missile bought from France is only the most recent incident to put the international arms trade into the headlines. Yet, most of the time, the arms trade just flows along beneath the surface

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of public consciousness (remember, the British destroyer Sheffield was sunk by an Exocet missile too, fired this time by an Argentine plane back in 1982), surfacing briefly but spectacularly from time to time, and then returning to the murk once more.

Both of the books under review here make a useful contribution to our understanding of the arms trade, not so much the flashy scandals connected with particular deals, as the larger and far more important trade that goes on year-in, year-out, in Canada and around the world.

US Arms Exports: Policies and Contractors was prepared by the Investor Responsibility Research Center, an American organization that conducts analyses of public policy issues that affect corporations and institutional investors. The organization's concern with investor responsibility gives the book an unusual and interesting angle on the arms trade, for fully one-third of the book is taken up with profiles of twenty-seven US corporations involved in military exports. Taking the period 1982-85, the authors set out each company's principal military exports by type and amount of hardware sold, the recipient and, where possible, the price.

Although the corporate section of the book deals with US companies alone, the profile of how the arms trade has been evolving will be of more general interest. The authors set out how the global arms trade peaked in the early 1980s; how the market for arms has been shifting progressively toward the Third World; how the arms trade has been moving up-market, with high-tech equipment taking more and more of the action; and how new suppliers such as Brazil, Israel, India, Singapore and Argentina have been entering this lucrative field of commerce.

Finally, and of particular interest to Canadians, approximately one-third of the book is devoted to the impact of arms sales on the Third World, including the likelihood and nature of regional conflicts, the human rights records of recipient governments, and the economic development of Third World countries. These themes are developed in chapters concerned with the Middle East, Asia, Africa and Latin America.

In the wake of media revelations concerning the appearance of Canadian-built helicopter engine parts in Iran, locked for over five years now in a fierce war with Iraq, and of the government's 1986 review

of Canada's arms export policy, Ernie Regehr's *Arms Canada* is an especially welcome contribution to the Canadian debate on this country's involvement in the arms trade.

Well researched and written, Regehr's book presents a portrait of Canada's involvement in the global arms trade that will disturb many Canadians. Set against a background of the growing economic opportunities presented by the arms trade, it depicts how successive Canadian governments, including the current one, concerned with unemployment, regional economic disparities and so on, have tied Canada's economic growth more and more to the export of military commodities. James Kelleher, for instance, in 1986 Canada's trade minister, is quoted as telling a group of Canadian trade commissioners and military industrialists that their "success in expanding defence and high technology exports is one of the keys to some of the things this country needs most — more research and development, more high-quality jobs, and more prosperity for all Canadians."

As insightful and valuable as it is, Regehr's book is not without its shortcomings. One of the more serious is its treatment of Canada's "restrictive" export control policy. As defined by the Stockholm International Peace Research Institute, a restrictive policy is one "of restraining the flow of arms which may operate against the pressures to supply arms." In Regehr's view, Canada's arms export policy, which restricts sales to countries involved in conflict, human rights violators, and countries under UN arms embargoes, has been observed more in word than in deed. And he cites numerous cases in which exceptions have been made and questionable sales approved.

What Regehr fails to take adequately into account, however, is the essentially political character of Canada's export control process, a bureaucratic tug-of-war that occurs daily between those who are charged with promoting sales and those responsible for upholding the restrictive policy. Also missing is an adequate historical perspective, which would have shown that, since the late 1940s, the strictness with which the export policy has been implemented has varied considerably. More specifically, over this period, officials have felt more or less free to issue export permits for sales that might for one reason or another be deemed questionable,

depending upon the signals sent down from their ministers or the Cabinet based on the latter's readings of political and economic circumstances at the time. Such an historical perspective would have shown among other things, that during the postwar period it was the Diefenbaker government that had imposed the stiffest restrictions on arms sales, and that a systematic easing of the restrictive policy has been underway since 1978.

Regehr's book confronts a central question: how should one respond to the opportunity to sell arms, knowing that if one declines the opportunity for, say, reasons of morality, some other supplier will make the sale anyway? It is the old "if we don't do it, somebody else will" problem. It is a question for moralists as well as for pragmatists.

Regehr has been a serious student of Canada's arms export policies for many years. As his earlier major work on the issue, *Making a Killing*, reflects, his inquiries were inspired and guided by a strong sense of moral outrage at what he regarded as Canada's duplicity in claiming to be a peacemaker while quietly plying a vigorous trade in arms. If he began as a moralist, though, in *Arms Canada* Regehr is a moralist who has developed a much clearer understanding of the practical problems associated with regulating Canadian arms exports. The result is a far more tightly argued and sophisticated study of Canada's role in the arms trade than was his earlier work.

The hard-line pragmatist will not, however, find Regehr's work convincing — it does not really find a way around the fact that keeping one's hands clean in this area involves an act of economic self-denial, or that unilateral restraint by Canada is not likely to slow down the international arms trade to any significant degree.

Having said that, the saving grace of Regehr's mixing of moralism and pragmatism is that it is quintessentially a Canadian mixture. Regardless of Regehr's own doubts about the implementation of our restrictive policy, his approach goes a long way toward explaining why Canada has such a policy.

John M. Lamb is Executive Director of the Canadian Centre for Arms Control and Disarmament in Ottawa.

Mr. Monroe, meet the USSR

by David Levy

Superpower Rivalry and Soviet Policy in the Caribbean Basin (Occasional Paper No. 1) by S. Neil MacFarlane. Ottawa: Canadian Institute for International Peace and Security, 1986, 71 pages, free.

A clear, concise and thoroughly objective guide to the lethal jungle of Central American strife is something one would almost have thought unable to exist between the opposite poles of juvenile passion and jaded conservatism that mark its boundaries. But this short book appears to be it. The reason for its admirable balance is that its Rhodes scholar author from Quebec, with an Oxford doctorate in International Relations, uses Soviet Russian-language sources almost equally with Western sources. He is thus saved from the blissful ignorance of Soviet sinful thought which inspires so many liberal champions of Castroism and Sandinism.

What emerges from Dr. MacFarlane's economical but highly knowledgeable analysis are these points:

— Innate Soviet self-preserving conservatism explains why the Kremlin is not guilty of actually bringing Castro or the Sandinistas to power. ("There is good reason to believe that [the Cuban communist party's] opposition to Castro's armed revolution reflected Moscow's own reservations.")

— Castro was a "deeply destabilizing new factor" in the politics of the region, whose warlike actions gratuitously provoked the United States into open hostility that was not there at the beginning.

— Notwithstanding its almost wholly justified dismay at Castro's provocations, the United States responses could have had no other effect than to drive Castro into the Soviet Union's ready and waiting arms. (Of the sanctions imposed on Cuba, MacFarlane says: "Had they been explicitly designed to provide an opening for the

expansion of Soviet influence in the region, they could not have been better tailored.")

— The \$10 million per day life-support system that the Kremlin provides Cuba on the one hand, and the continuing caution in the Caribbean basin that the Soviet Union has had to exercise ever since the cave-in to Kennedy in October 1962 on the other, indicates that the United States has not exactly been the loser.

— What revolutionary course the Kremlin did pursue in the Caribbean basin in the 1960s was largely undertaken to display revolutionary credentials to the Third World in the ideological war with Beijing.

— In Nicaragua, although the Sandinista victory took the Kremlin completely by surprise, it nevertheless saw it as "a new opportunity to take advantage of US vulnerabilities in the Third World, this time in a region of critical strategic importance to the United States."

— Soviet influence in Nicaragua is deep and abiding, with multifaceted economic and military aid arriving there not only from the Soviet Union but also from European satellites.

— With all its other undertakings, the Kremlin is, however, keeping the dollar cost of its commitment to Nicaragua far below that of its other clients, e.g., Cuba and Ethiopia.

And so on.

In brief, Soviet involvement in Central America would be much greater if the Kremlin could afford it, which it cannot (it continues to blow the bundle on Cuba) and if the United States were to drop its guard, which would make the penetration cheaper and less risky.

What it amounts to is that a combination of US concern and Soviet caution in the face of it, plus Soviet parsimony, is successfully keeping Soviet expansionism contained. What the United States is doing to bring about reconciliation, or to propose an alternative American solution to Nicaraguan and other Central American problems, is outside the purview of MacFarlane's tightly focused work.

David Levy was a Canadian correspondent in the Soviet Union for ten years. He now lives in Ottawa.

A loan and poor

by David H. Pollock

Debt and Disorder: External Financing for Development by John Loxley. Boulder, Colorado: Westview Press, 1986, 228 pages, US\$24.00.

Since 1980 there has been a veritable explosion of new writings on Third World Debt — an outpouring of words exceeded only by the daunting increases in the debt totals themselves. Readers have been inundated by the manifold and complex problems thereby presented: the enormity of the current and future debt-serving obligations, the billions of dollars of global GDP forgone, the huge resultant stimuli to world unemployment and inflation, and the dangerous challenges posed in consequence to the emerging and still fragile democracies in many debt-ridden developing countries.

The mind boggles at all this. To understand what had happened in the past is hard enough (how did the debt originate? who is to blame? what are the valid statistical indicators? what are the most salient economic, social and political consequences?). To agree on how to resolve the debt crisis in the future is even harder (what should be done by the debtors? by the creditor governments? the private banks? by the international financial institutions?). Faced with so many and seemingly intractable issue areas, it is a relief to come across John Loxley's cogent and compelling book. He writes clearly (a rarity in the arcane world of debt!) and has the knack of fitting details of global debt and disorder into a logical and understandable conceptual framework.

The format is straightforward. The book begins with an explanation of current international economic instability which is then integrated into an overview of stabilization and adjustment policies in developing countries. He follows this by explaining how the private transnational banks contributed to the emergence of the debt. Then comes a number of suggestions on how the IMF, the World Bank, and the major bilateral aid agencies could help to ameliorate the debt crisis through forward-looking policies linking international capital flows to models of development that would combine growth with equity. The book concludes with a thoughtful chapter on micro and macro

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recommendations for "new directions" that would not only help to resolve the debt crisis, but simultaneously lead toward the long overdue need for international financial reform.

Professor Loxley of the University of Manitoba is in the vanguard of Canadian academic specialists on Third World debt and development. This book further strengthens his credentials as a theoretician and policy analyst. It will be read with profit by those wishing to cut through the voluminous, often obtuse and invariably contradictory new writings on the debt-servicing problems of developing countries. The final three pages — entitled "Summary and Conclusions" — provide an excellent distillation that alone makes the book a must. I recommend it with enthusiasm.

David H. Pollock is Norman Paterson Professor of International Affairs at Carleton University in Ottawa.

The war called "Terrorism"

by Peyton V. Lyon

Terror edited by Brian MacDonald. Toronto: Canadian Institute of Strategic Studies, 1986, 170 pages, \$17.00.

Terror! The very word rivets attention, just as the form of warfare it now describes is almost always designed to force us to heed a political situation that the perpetrators find intolerable. Those looking for excitement in this overpriced volume, however, or fresh insight, are likely to be disappointed.

Wisdom is not absent, especially in the contributions by several detached scholars, but most of the participants are professional anti-terrorists, and tend to be simplistic. It is not without interest, of course, to learn from their own dialogue the attitudes of the police, military officers, diplomats and politicians who are engaged in the battle against terror in its contemporary form — a form considered far more frightful than any in the past, especially by the minority of mankind who can afford to fly. But, just

as in the best of conferences, the contributions are uneven, the continuity jerky, and the dialogue often banal. The editor appears to have spared the reader nothing.

Several of the academics observed that terrorists often are motivated by a just cause, or at least one that is likely to ensure the perpetuation of terror until satisfied by political means. One stressed in this context the right of the Palestinians to a homeland. Another explained that "over-reaction to terrorism can place democracy at as much risk as inadequate reaction," and several mentioned the FLQ Crisis of 1970 to underline the point. That terror is simply one form of war, one preferred for obvious reasons by the poor, was acknowledged by a number of participants. Not stressed, however, was the fact that terror is far less costly in the lives of innocent civilians (as well as military personnel) than more respectable forms of war (such as bombing), or that the most appropriate means to counter terror might well vary with the reasonableness of the motives of the terrorists.

Although a couple of the professional anti-terrorists recognized the need to get at the roots of the phenomenon, most did not. All employments of terror tactics, it seems, are equally reprehensible, and all are to be dealt with by repressive measures. A State Department participant referred indiscriminately to terrorists as "bad guys" and mostly a "pretty vicious lot." A former Canadian ambassador and RCMP official said that "Terrorism... is criminal, but it is also much more than that." The most simplistic and robust attack on all use of terror, and support for strong-arm counter measures, such as the US bombing of Libya, came from a former Liberal minister who frequently champions the interests of Israel.

No one challenged the claim of a former Israeli officer that Israel's tough measures, including retaliation, had been effective and should be a model for all. Forty years after its turbulent birth, however, Israel bears a crushing military burden, depends upon an outside power, and experiences increasing disturbance by amateur terrorists, many in their teens. Some model!

The CISS should hold another conference on terror, one that would concentrate on causes and enduring solutions.

Peyton V. Lyon is Professor of Political Science at Carleton University in Ottawa.

Arab world through friendly eyes

by Aida Farrag Graff

The Arab World: Personal Encounters by Elizabeth Warnock Fernea and Robert A. Fernea. New York: Doubleday, 1985, 384 pages, US\$19.95.

Elizabeth and Robert Fernea belong to that rare breed of Western anthropologists whose hearts were touched by their subject — the Middle East. This volume is a record of their personal encounters in the area over nearly three decades. These personal encounters are interspersed with background chapters on such topics as religion, politics, colonialism, a fascinating chapter on the sociology of markets, and one no-less-interesting called "The Anthropologist in the Field" in which the Ferneas note: "Since field work requires constant involvement in the local scene and a willingness to become part of social events to one degree or another, it is hard to understand how it could be undertaken by a person who really dislikes the situation, the setting, the people." Unfortunately, there are to this day scholars in the field of Middle Eastern studies who still believe in the inferiority of the "Arab mind" and Arab culture, and whose racist attitudes contaminate many of their students. That, however, is better left to Edward Said's *Orientalism*.

During their first encounter with the Middle East, the Ferneas quickly realized "that the diversity of human life in this world is one of its strengths rather than one of its weaknesses." Hence this latest book of theirs becomes an ideal introduction to the area. Their encounters take them to Morocco — the westmost part of the Arab world — to Iraq in the east and Yemen in the south. The Ferneas' returns to some of those places at different intervals gives the reader a dramatic sense of the often tragic changes that occurred. With the North American lay reader in mind, the Ferneas constantly draw parallels or comparisons with the US. The ancient water cisterns of Yemen bring back memories of Elizabeth Fernea's grandparents' cisterns on their Wisconsin farm. The Middle Eastern bitterness

against colonialism, however, contrasts with the Yankee pride in their own colonial past. Perhaps, as the Ferneas comment, the "native American may better be able to understand the Arab attitude." But drawing parallels with the US is not without its painful side. In 1956 the young, idealistic Ferneas could be enthusiastic about the US role in the area which appeared to them to be "solidly on the correct side, supporting national independence for countries, which had once been colonies, just like ours," but disillusionment was soon to follow because of America's unswerving and total support of Israel against the Arabs, to the detriment of any efforts towards a just and balanced peace.

The Ferneas' love of the Middle East has not been without its unpleasant consequences. Elizabeth Fernea's film on Palestinian women — of which we read here an account of its preparation — was viciously attacked by anti-Arabs as a "propaganda film." As if her exposure of the brutal reality of camp life and how women were "dealing with constant crises" were propaganda! Unfortunately, to show the human face of Arabs in North America breaks local media taboos. Jack Shaheen told that story in *The TV Arab*.

The Ferneas' *Arab World* should become anyone's first introduction to the area. It is a personal account backed by a solid academic foundation, full of warmth and humor, and it vividly dramatizes points of contact and conflict between East and West.

Aida Farrag Graff is Dean of Women at Victoria College, University of Toronto.

How Israel happened

by L.M. Kenny

Arab-Zionist Negotiations and the End of the Mandate, Vol. II of Futile Diplomacy by Neil Caplan. Totawa, New Jersey: Biblio Distribution, 1986, 358 pages.

In his preface, the author records his awareness of "the problems of writing a balanced account" and asserts his sensitivity to "the dangers of distortion." One

does see evidence of this attitude in his finding moderates in both the Zionist and Arab camps, and in his attribution of the failure of such negotiations as took place to the "emotional commitment" of both Arab and Zionist leaders to their respective nationalisms.

Caplan further manifests his "balance" in a basic premise of the book that both peoples possess equally valid rights to a homeland in Palestine. This very premise, however, was bound to make any attempt at "diplomacy" futile, given the fact that this land had been home to the Palestinians for 1,300 years and more and was therefore theirs by the widely accepted principle of international law, the "statute of limitations," as argued by Arnold Toynbee (*The Jewish Quarterly Review*, Vol. 52), and the fact that the Zionists were inexorably determined, as is clearly manifested in this book, to transforming the Balfour promise of a "national home" in Palestine into a sovereign majority Jewish state embracing the whole of Palestine and also Trans-Jordan, in Ben Gurion's view.

The book is carefully documented from contemporary accounts, official archives and the personal papers of a host of people involved in the "diplomacy." The "balance" of the work is inevitably distorted, however, by the fact that the author has relied in large measure on Zionist sources. Thus it is the Zionist viewpoint that is quoted over and over, which the reader, unless critically aware, will tend to accept *prima facie*. This effect is not erased by the use of quotation marks around such statements as that by Sasson that the Arab opposition lacked "consistency, courage and many other qualities"; or the qualified slur in Jacobson's "Memorandum" regarding "the psychosis (if it is one) of Arab fear."

What Caplan does not try to hide is the belief of the Zionist leaders — Ben Gurion, Shertok (Sharett), Weizmann and others — in the efficacy of power, in the pressure that their friends and allies could exert on their behalf, and in the *fait accompli*. It seems, therefore, something of an exercise in futility to examine the various alternatives and "explanations for the persistence of the Arab-Israeli conflict."

We are indebted to Caplan, however, for this "blow-by-blow" account of the interaction between the two communities in the thirties and forties until the *fait accompli* of the proclamation of the State of Israel. His book does give a forthright analysis of prevalent attitudes, especially

those of the Zionist leaders. There was, for instance, the conviction of both Ben Gurion and Weizmann that, though the Palestinians could not be persuaded in advance to accept a sovereign Jewish state in their homeland, they would come to terms once that state had been founded. It reveals the singlemindedness with which the Zionist leaders worked step-by-step toward their goal, from the idea of cantonment in the early thirties, to the partition mooted by the Peel Commission in 1938, to the Philby scheme in 1939, to the "Jewish Commonwealth" of the Biltmore program in 1942, with partition as a "fall-back position."

The book does not blatantly divide the protagonists into "good guys" and "bad guys," and it does not so frequently record the application of pejorative terms to the Arabs as Volume I does. Nevertheless, this account of the futility of diplomacy over the future of Palestine does lead us to the founding of the Zionist state in May 1948, and leaves the impression that, in the author's view, this was both inevitable and right.

L.M. Kenny, Professor Emeritus, was formerly Chairman of the Department of Middle East and Islamic Studies at the University of Toronto.

East Asian adjustments

by Robert E. Bedeski

Security within the Pacific Rim edited by Douglas T. Stuart. Brookfield, Vermont: Gower Publishing Company, 1986, 166 pages, US\$43.95.

East Asia continues to be a region of dynamic economic growth as well as one of potential conflict. Steady development and periodic wars, domestic and international, have punctuated the modern history of the region. *Security within the Pacific Rim* provides a concise and readable summary of current problems and security concerns. This collection of papers from an International Institute of Strategic Studies conference held in Seoul in December 1984 examines the changing mix of security policies and postures.

The role of the USSR in the region has been steadily increasing, and Moscow

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has been expanding its presence there under Gorbachev. The USSR's need for resources, its security concerns vis-à-vis China, USA and Japan, its opportunities in North Korea, and Vietnam's growing dependence upon it, have contributed to Soviet activity in the region.

Japan has been taking a greater role in its own defence as the US has been distracted in other areas and was weakened after Vietnam. National assertiveness and doubts about US reliability have been factors in Tokyo's willingness to build up the Self Defence Forces under Nakasone.

The Korean peninsula remains the area of greatest potential conflict. Under Deng Xiaoping, China has been a moderating influence on North Korea. By reducing tensions in the region, Beijing has been able to devote its resources to economic modernization, in order to achieve the leadership's goal of making China into an independent major power. Jonathan Pollack writes that the Chinese see their opportunity in the present superpower stalemate, which provides the Soviet Union in particular with "substantial incentives to seek relief or respite from their wide-ranging international obligations, with improved relations with China ranking among the principal possibilities."

The volume surveys domestic as well as external politics in its exploration of security in its various ramifications. Although some of the essays have been brought up to date since the conference, events have outdated others.

Robert E. Bedeski is Professor of Political Science at Carleton University in Ottawa.

Fighting without arms

by Gary Lipschutz

Roots of Peace: the Movement against Militarism in Canada edited by Eric Shragge, Ronald Babin and Jean-Guy Vaillancourt. Toronto: Between The Lines, 1986, 203 pages, \$12.95 paper, \$29.95 cloth.

Made up of thirteen articles, most of which were written by both present and former activists in the peace movement, this book's theme centers around the promotion of alternatives to militarism in Canada's quest for peace. In the first two sections, several authors attempt to assign the Canadian peace movement an international role. They see it as a necessity for the movement to develop a long-term plan for itself and for the role Canada must play as part of that plan. Articles in the second section examine approaches taken by various peace activists, as well as current issues facing the peace movement.

The book is consistently readable, and the alarming logic of many of the ideas challenges traditional Western thinking. The articles, however, suffer from a general lack of detail and thoroughness. This may not have been easily avoided because of space limitations.

The authors all work with the peace movement, but they come from a variety of backgrounds. They are thus able to provide a number of different perspectives on the subject of the Canadian peace movement, its *raison d'être*, its successes, failures and objectives. Leonard Johnson, for instance, is a retired Major-General in the Canadian forces. His piece entitled "Canada, the United States, and the Western Alliance" questions the popular belief that the paramount threat facing the world is the communist presence. Rather, Johnson suggests, it is militant anti-communism feeding on people's unfounded fears that bears primary responsibility for the escalation of the arms race. In turn, it is the consequent arms race that becomes the paramount threat. Although Johnson finds that there is no justifiable reason for the Canadian government to contribute to Western European defence — costing in excess of \$1 billion per year — he fails to discuss reasons why the government contributes as much as it does.

Contributor Phyllis Aronoff has worked in social services, community groups and the union movement. Her article offers a feminist approach to militarism and the peace movement. Aronoff suggests the existence of a link between violence against women and the belligerent mindset of the arms race. In the training of soldiers,

for instance, Aronoff explains how recruits are taught to dehumanize not only any potential enemy, but also women "through the eroticization of violence." Aronoff states, "New recruits are continually called 'girl' and 'faggot' until their behavior becomes sufficiently aggressive. Only then are they addressed as 'men.'" Aronoff says that men's behavior in the private world is connected to that of the public world. In the private world of the nuclear family, as in the public world of the nuclear state, the law of dominance and submission prevails.

The book's final piece is written by the book's editors, Ronald Babin, Eric Shragge and Jean-Guy Vaillancourt. Entitled "Directions for the Canadian Peace Movement," the editors' joint effort provides a brief overview of the movement's progress, together with a blueprint for the future. Among several recommendations, the editors say the movement should push for Canada's unilateral withdrawal from treaties which integrate Canada with the US military-industrial complex. Canada, they say, should also reduce its contribution to the production of armaments which threaten the destruction of mankind. These alternatives to militarism, say the editors, must take hold in such areas as the schools, the workplace and social organizations in order to bring about the peace movement's ultimate effectiveness.

Roots of Peace offers a great deal of insight into militarism and the Canadian peace movement, despite certain inadequacies. The awareness that there exist alternatives to militarism may in itself be a step towards peace. That may make this book an important contribution to studies on the arms race and the peace movement.

Gary Lipschutz is graduating this year from the School of Journalism at Carleton University in Ottawa.

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Editor's Note:

Our foreign policy isn't always what we like to tell ourselves it is — a condition due, one hopes, more to confusion than to self-deception. Take Central America, where Canadians think they are both independent and different in their policy. That may be so for Nicaragua — but the rest? In the Atlantic alliance we regard ourselves as staunch and supportive allies. But the White Paper makes us see the inappropriateness of what we have been contributing. We are clamorous opponents of apartheid, but are we really doing as much more as we think we are? We assume our national government has full treaty-making power, but the Free Trade undertaking is demonstrating eloquently that the central government's ability to assert the national interest is being eroded by the claims of provincial governments.

You'll recognize these themes, and the distinguished authors who develop them, in a glance at the Table of Contents.

There are some other concerns examined in this issue. One article looks at the aftermath of the Grenada affair in the West Indies and at how those little island states are cooperating for survival. Another peruses some of the recent literature on Free Trade and its consequences, and notes the emergence of the awareness that Free Trade — should it happen — can only work in the presence of an active industrial policy in Canada.

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Federalism, the provinces and foreign policy

by Gordon Robertson

The negotiations since 1986 for a possible trade agreement between Canada and the United States have made Canadians more aware than ever before of the extent to which the powers and the interests of our provinces can limit the capacity of our national government to act effectively in foreign affairs. The degree of limitation on the Canadian government in this respect is almost certainly unique in the world. It was timely that the Canadian Institute of International Affairs sponsored the discussion of the question that appears in two recent publications.

The Provinces and Canadian Foreign Policy edited by Tom Keating and Don Munton. Toronto: Canadian Institute of International Affairs, 1986, 154 pages, \$10.00.

Foreign Policy in Federal States, being the Summer 1986 number of International Journal. Toronto: Canadian Institute of International Affairs, 1986.

One, *The Provinces and Canadian Foreign Policy*, contains the proceedings of a conference at the University of Alberta on March 28-30, 1985. It covers in a detailed and authoritative way the steadily increasing interest and involvement of the provinces in relations with other countries and in foreign policy, especially in the economic field. The second is the volume of *International Journal* for the Summer of 1986 which is entirely devoted to articles on *Foreign Policy in Federal States*. In it the Canadian situation is placed in the context of the fundamental federal problem in foreign affairs: how to reconcile the division of government powers that is the essence of the federal system with the need of countries to negotiate with one another and to establish contractual arrangements on a basis that commits the state as a whole. The situation of Canada is surveyed in relation to that in most of the other democratic federations in the world of today. The two volumes complement one another in providing a better understanding of the extent and the reasons for the involvement of Canadian provinces in external relations, while at the same time making it clear that this situation is neither a necessary consequence of federalism as such nor a general condition among existing federations.

Provincial jurisdiction becomes more international

The problem for federations that is inherent in the federal system itself is brought out in an excellent article in the *International Journal* by Brian Hocking, Senior Lecturer in International Relations at Coventry Polytechnic in Britain on

"Regional governments and international affairs: foreign policy problem or deviant behaviour?" His analysis of the basic problem in foreign relations, and of recent developments in federations in dealing with them, is based primarily on experience in Australia, Canada and the United States. His conclusion — that the increasing interest of "regional" or state governments in foreign policy and foreign affairs is related to "changing policy agendas" — is borne out by the papers of the 1985 conference on the activities of Canadian provinces. As Hocking puts it: "As policy areas falling under regional jurisdiction have acquired international significance, so regional governments have found themselves (not always willingly) involved in international affairs." It is apparent, however, that the degree of involvement by the state governments in Australia and in the United States has been very much less than that of the provincial governments in Canada. Other articles in the 1986 volume make it clear that this comparison includes the state governments in the other federations surveyed: the Federal Republic of Germany, India, Nigeria and Yugoslavia.

It is a weakness in an otherwise excellent pair of publications that there is not a more comprehensive constitutional treatment of the Canadian situation and of the factors that have worked together to produce our extreme condition of provincial involvement in foreign policy.

The clue to the "Canadian condition" is contained in the article by Professor Hans J. Michelmann of the University of Saskatchewan in his article on "Federalism and International Relations in Canada and the Federal Republic of Germany." He makes the point that "the FRG is as more homogeneous society than Canada," which means that there is less incentive for state governments to undertake international action. In addition, "the Federal Republic is a much more centralized Federation than is Canada" in its constitutional arrangements. He cites Donald Smiley's argument in "Territorialism and Canadian Political Institutions" that "political institutions, far from being mere products of more fundamental societal forces, themselves determine in good part the nature . . . of the political processes in a federation." In short, there is a multiplier effect. The greater the diversity within a federation, whether social, ethnic or regional, the more likely is that federation to have substantial powers in the hands of its constituent states. The greater those constitutional powers

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"Who will speak for Canada?"

are, and the greater the freedom of action possible by the states, the more likely is an interaction of constitutional and societal factors to produce a growing diversity among them in interest and in action, both internally and in relation to foreign policy.

Born too soon

So far as foreign policy is concerned, it is interesting if not fruitful to speculate how different our situation in the Canada-United States negotiations might be if we had not been the pioneer "Dominion" in the transition from Empire to Commonwealth.

The potential problem for foreign policy of constitutional powers vested in provinces was foreseen in 1867. Section 132 of the British North America Act, now the Constitution Act, 1867, contained a "treatymaking" clause to ensure that provinces would not be able to frustrate agreements entered into in the conduct of foreign relations. However, the idea of the foreign relations of any part of the Empire being handled by any government other than the one in London was far in the future. Section 132 read:

The Parliament and Government of Canada shall have all Powers necessary or proper for performing the Obligations of Canada or of any provinces thereof, *as part of the British Empire*, towards Foreign countries, arising under Treaties *between the Empire and such Foreign Countries*. (Italics author's.)

It was not until the 1930s, after the Statute of Westminster, and after many years of independent Canadian action in foreign relations, that the question was finally tested whether the government of Canada, in its new maturity, had inherited the treaty-making power reserved for the British government in 1867. It was reasonable to expect that such would be the case since an overriding power in foreign relations is normal in federal systems, as seen in the constitutions of the United States, Australia and Germany. However, the courts in 1937 decided otherwise. The Judicial Committee of the Privy Council in London, then our ultimate court of appeal, after deciding against the federal government, went on to say:

It must not be thought that the result of this decision is that Canada is incompetent to legislate in performance of treaty obligations. In totality of legislative powers, Dominion and Provincial together, she is fully equipped.

But *the legislative powers remain distributed* and if in the exercise of her new functions derived from her new international status she incurs obligations they must, so far as legislation be concerned when they deal with provincial classes of subjects, be dealt with by the totality of powers, in other words *by cooperation between the Dominion and the Provinces*. (Italics author's.)

The result was and is that there is no "treaty-making power" vested in our national government. It cannot enter into commitments with other states that involve obligations in areas of provincial jurisdiction with any confidence that those obligations will be carried out unless and to the extent that each of the ten provinces agrees.

Now "full provincial participation"

We have now had fifty years of experience with this situation and the result could be seen in the proceedings of the Conference of First Ministers in Halifax in November 1985. After a full day of public discussion, and many hours of private negotiation, it was agreed that there would be "full provincial participation" in any negotiations that might be undertaken with the United States for freer trading arrangements. Provincial premiers said publicly that the Canadian negotiating team "will take its instructions from the First Ministers" — eleven of them — not from Ottawa. Eleven governments "will set the mandate" of the Canadian negotiators. It was finally agreed in June 1986, after further months of negotiation that, while there would not be provincial representatives at the negotiating table with the United States, there would be "close and constant discussion" with designated provincial representatives. In addition, the Prime Minister would meet the premiers every three months for the resolution of policy issues as the trade negotiations proceeded.

Even with these provisions for provincial involvement during the negotiating phase, the provinces have made it clear that they will not be automatically committed by any agreement that may finally emerge. They will have to participate in some special way in the process of ratification. In a statement of June 17, 1986, Premier Bourassa said that "Quebec wants the power to be able to refuse or accept the treaty in the light of its impact on our economic interests." The governments of Ontario and other provinces have been equally firm about their power and intention of independent decision.

The contrast of the Canadian position with that of the federation on the other side of the negotiating table is stark. None of the fifty American states has suggested that it be consulted about the American position in the trade negotiations. There is no question of state involvement in the process of ratification. Under the United States constitution, two-thirds approval by the Senate makes the provisions of any treaty entered into by the United States part of the law of the land, regardless of state powers under the constitution. Under the "fast track" procedure, the same result can be achieved by approval of a trade negotiation by a simple majority in both houses of the Congress.

Mr. Hocking rightly says that "federal governments are prone to greater difficulties [i.e., than unitary ones] in coordinating their overall foreign policy activities." He goes on to cite the dictum by the late K.C. Wheare of Exeter College, Oxford, that "federalism and a spirited foreign policy go ill together." What Wheare did not say, but what Hocking and the other authors in *Foreign Policy in Federal States* make clear, is that some federations are in a worse state than others in this respect, and the worst of them is Canada.

Negotiating difficulties, while great, may increase

The papers in *The Provinces and Canadian Foreign Policy* make it clear that provincial interest and provincial activities abroad have, thus far, been focused on a limited range of subjects: economic matters, resources, investment, off-shore issues, fisheries and other things close to home. Quebec has a wider range of concerns relating to the French language and culture. There is limited comfort in this, however, since the changing "agenda" of international relations and of foreign policy tends to put increasing emphasis on matters in which

our provincial governments feel themselves interested and concerned. We are likely to have steadily greater cause to reflect on the risks that beset the constitutional pioneer. The Commonwealth government of Australia is equipped with more effective powers in international relations and foreign policy than is the government in Ottawa because a good deal had changed in the years from 1867 to 1901. By the latter year, when Australia got its constitution, it was no longer inconceivable that a government outside London might make international commitments for its own part of the British Empire.

The two publications by the CIIA provide much food for thought as one contemplates from day to day the domestic diplomacy and argument that equal, if they not exceed in

temper and acerbity, the international negotiations for the Canada-USA trade agreement.

The deep underlying divisions of interest and attitude among the different parts of the Canadian federation would have made it difficult for a national government, no matter what its powers, to formulate and to conduct an active foreign policy with the broad national support that firm action in foreign affairs requires. The extent of provincial powers in today's Canada, combined with the lack of any overriding authority by the federal government in foreign policy and commitments, have greatly complicated the task, rendered policy more hesitant and uncertain than it would otherwise have been — and possibly deepened our divisions in the process. □

Compared to whom?
Different only on Nicaragua

How is Canada doing on Central America

by David G. Haglund

Those who participate in the ongoing debate about Canadian Central American policy might do well to note a comment the aging Maurice Chevalier was reported to have made on the eve of yet another birthday. How did it feel, the French singer and showman was asked, to be turning eighty? "Considering the alternative," he remarked, "pretty good." Though his life was lived in a far different part of the Latin world from that immediately to the south of Mexico, M. Chevalier might nonetheless serve to remind those of us who speculate about Canadian policy toward Central America that the lack of a comparative focus can produce judgments that are meaningless at best, and spurious at worst, when it comes to assessing the wisdom of Ottawa's approach to the five countries of the Central American region: Guatemala, Honduras, El Salvador, Nicaragua, and Costa Rica.

Notwithstanding the commonsensical admonition that one should attempt to situate one's appreciation of a problem within as comparative a context as possible, the reality seems to be that assessments of Canadian Central American policy regularly get made in a contextual vacuum. We often hear that our approach to the area is too timid, lacks originality, is disingenuous, and so forth — all of which charges beg to be articulated in an analysis that takes cognizance of the policies of other countries toward Central America. Clearly, there is a glaring exception to this tendency, for one foreign power's Central America policy — the United States — does elicit a great deal of commentary in this country. And while most

critics of Canadian Central American policy are quick to note differences between the respective approaches of Ottawa and Washington towards the region, the comparative urge seems for many to become exhausted once the ritual, but hardly original, disclaimer of affinity has been made. We may, the conventional critique goes, be following better policies toward Central America than our southern neighbor, but we are not taking those measures that can make our weight felt in the current crisis of the hemisphere. Far from it; we are, it is said, shirking our obligations.

Canadian "timidity"

What is one to make of the oft-heard criticism that Ottawa is not "doing enough" to stop the carnage currently besetting the region? In a superficial sense, the criticism might be held to possess validity, if for no other reason than that the killing does continue in Nicaragua, in El Salvador and (though to a lesser extent than in the recent past) in Guatemala, notwithstanding Ottawa's frequent pronouncements against such activity and in favor of negotiated ends to the bloodshed. On a different level, however, comes the argument that foreign policy should be judged according to the

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ability of states to make their influence felt internationally: that is, that the moral basis of policy must in no small way be assessed in terms of the capability, and not just the intentions, of states. According to this way of thinking, a country may be as pure as the driven snow, but without the ability to translate its ethical presumptions into practical reality, its foreign policies cannot be adjudged to be particularly moral. They may not be immoral — which in itself is no small accomplishment in the sordid sphere of international relations — but unless supported by at least a modicum of power and will, moralistic foreign initiatives of states must remain subject to the stricture of fecklessness, if not hypocrisy.

Perhaps not surprisingly, Canada's Central American policy has been criticized on both counts. To some, we are not doing what our influence (especially with our neighbor and ally) would allow us; to others we have no influence to back up our rhetoric, and therefore should mute our criticisms of Washington's policy in the region — or else find a way to become more powerful. The former critique comes typically from the left, while the latter is often voiced by the right. Caught in the middle is the government and bureaucracy, trying as best as they can to square the circle — responding to an increasingly vocal public in quest of an evermore energetic approach to Central America, and framing policy according to a conception of the "national interest" that is rooted in an immutable sense that our international role is conditioned mightily by our Middle Power ranking. In many ways, it is a "no win" situation, and one can think of more relaxing pursuits than being a high-ranking civil servant whose task is to develop and manage Canada's policy towards the countries of Central America.

Far easier is the job of the critical analyst who, like this writer, does wish that US policy toward Nicaragua were different from what it is, and entertains the passing hope that somehow Canada and the other allies can inject a restraining presence in the region. That the course of events runs contrary to one's preferences seems, to many critics, reason enough to deem Canadian policy a priori to be deficient; but it strikes me that before instinctively jumping to such a conclusion, it might be worthwhile to ask how other, reasonably important states with an interest in an alternative approach (at least toward Nicaragua) have been faring in their own regional policies. After all, how Canada is doing on Central America is nothing if not a comparative question; accordingly, in what follows I shall seek to identify some important features of the Central American policies adopted by certain Western European and Latin American countries — countries that form a valid basis for comparison as we are likely to have in assessing Canadian policy.

Canadian policy

Prior to undertaking this comparative assessment, it is necessary to specify, in however brief a compass, some of the salient aspects of Canadian Central American policy. At the most general level, Canadian policy strives to attain three objectives for the region: peace, development, and self-determination. On paper, these are objectives that rank along with motherhood as estimable goals; and not even the Reagan administration would confess to having a different set of preferences for the area. In practice, there are of course sharp discrepancies between the Central American policies

adopted by Ottawa and Washington. But there are also similarities, even though these often seem to elude commentary. For instance, one would have to search very hard to find major points of disagreement between the United States and Canada on Costa Rica, whose democratic form of government is lauded by both North American countries. And Honduras, which Canada for one does *not* seek to convert into a militarized bastion, nevertheless ranks as the largest recipient of Canada aid to any Central American country since the start of this decade — something that hardly signals a vote of non-confidence in the Josà Azcona Hoyo government, or those regimes that preceded the current one in Tegucigalpa.

Even on Guatemala and El Salvador, the two countries in the region that have had the bloodiest histories over past decades, and the worst human rights records, one can see a congruence of interests between the US and Canada. To be sure, we do not endorse wholeheartedly the military commitment Washington is making to El Salvador; but we have resumed bilateral assistance to the Josà Napoleon Duarte regime, and we do search energetically for evidence that the military is cleaning up its act, and therefore is behaving more like a professional army and less like a death squad. Our support for the armed opposition there is, to say the least, as minimal as is our support for the armed opposition elsewhere in the region, including Nicaragua. As for Guatemala, Canadian officials appear constantly to be on the horns of a dilemma over the question of whether to resume bilateral assistance, and should we ultimately decide to make a show of support for the Vinicio Cerezo Arávalo government, it would put us in a position not terribly unlike that of Washington (or, for that matter, some Western European and Latin American capitals) in respect of what has until recently been the pariah state of Central America.

Canada-US differences few

It is really only toward Nicaragua that one notes a major point of departure between Canadian and American policy, and Nicaragua has come to crystallize the current debate over Canada's Central American policy. It is an exaggeration perhaps to claim that Nicaragua today is *the* Central American question, but it is no overstatement at all to remark on that country's importance for regional issues, and even for interests that extend far beyond the isthmus. Like Spain in the 1930s, Nicaragua has come for many to symbolize either the best or worst of all worlds, and it is not surprising that, given the Manichean psychological setting, Canadian Nicaraguan policy should engender so much passion. Although the Canadian government — especially the Central American bureaucracy — should never be mistaken for a Sandinista solidarity front, its lukewarm attitude toward the regime in Managua (which it is hoped might yet evolve into a species of toothless Titoism) contrasts radically with the fire-and-brimstone approach of the Reagan administration, bent on purifying Nicaragua of its demons. Some who oppose Washington's support of the *contras* will take a bit of comfort in the general thrust of Ottawa's Nicaragua policy, but will be quick to demand that much more be done to assist the FSLN, in particular through the opening of a Canadian embassy in Managua (although why the presence of an embassy should necessarily betoken support is never completely explained).

British position

However essential it may be to distinguish Ottawa's approach to Nicaragua from Washington's, it is hardly sufficient if the objective is to allow one to assess more adequately Canadian policy. In so many ways, that policy cries out for comparison with the policies of other "kindred" states, both in Western Europe and Latin America, for only then can we get a better perspective on the question raised earlier in this article. Let us therefore contrast Canadian Nicaraguan policy with that of several other states, beginning with some prominent European ones. Among the European countries that have had noteworthy policies toward Central America one does not find Britain. Under Prime Minister Margaret Thatcher, the UK has been on the whole either supportive of, or acquiescent in, Washington's Central American initiatives, even though Britain did express indignation over the American intervention elsewhere in the Caribbean Basin, in Grenada in October 1983. Unlike Canada, where a Conservative government has taken some strong verbal jabs at Washington over Nicaragua, from London has come little but official silence on the Sandinistas — although earlier this year embarrassing reports did surface that the British were actually at the stage of approving the sale of Blowpipe anti-aircraft missiles to the contras.

French record

The other major European countries, France and the Federal Republic of Germany, have shown greater interest in the Central American crisis. Indeed, for a time in the early 1980s it appeared that Paris and Washington would be on a collision course, not only over Nicaragua, but also El Salvador; for France joined with Mexico, in August 1981, in issuing a declaration that the Salvadoran armed opposition and its political allies — the FMLN/FDR — constituted a "representative political force," one that should be incorporated into the governing structure of the country, through some form of power-sharing. Further infuriating Washington was the French decision, later that same year, to provide military assistance to the Sandinistas. Though of a modest amount, and ostensibly only involving "defensive" equipment, the arms sale constituted the only military assistance accorded by any Western European country to Managua, then or since. In its last dramatic show of opposition to the US over Nicaragua, France offered, in the spring of 1984, to assist with the removal of the CIA's mines from Nicaraguan ports on the condition that at least one other European state joined in the operation. (None did.)

Compared with this stout French record of standing up to Washington on Central America, Canadian policy toward the region must look like small beer indeed. However, in the past three years there have been surprisingly few initiatives coming from Paris that would lead one to believe French policy remains strongly supportive of the Sandinistas. (As for the FMLN/FDR, France seemed to cool considerably toward the Salvadoran opposition following the 1982 elections in El Salvador.) Among the reasons adduced to explain the loss of support for the Nicaraguans have been the following: the increasingly precarious position of the French Socialists at home; strains between the Socialist International and the Sandinistas (about which more below); the prospect that France's own military interventions in Chad make its opposition to US interventionism less tenable; and the growing

perception in France that Nicaragua is increasingly following a pro-Soviet course, something that goes over poorly among so many of the French intelligentsia, who seem to display a more tough-minded attitude toward the Soviet Union than is found, say, among intellectuals in West Germany or even Britain.

German record

The European country with the most complex relationships with Central America has been the Federal Republic of Germany. Like Paris, Bonn expressed skepticism about the early Central American initiatives of the Reagan administration. Unlike France, however, Germany's approach to the region has witnessed fewer direct governmental initiatives, but much more participation on the part of the country's political parties, all of whom seem to have evinced great interest in the politics of Central America in this decade. This has been especially true of the two major parties, the Social Democrats and the Christian Democrats, who through their foundations (respectively, the Friedrich Ebert and Konrad Adenauer *stiftungen*) spoke out often against Washington's policies toward the region during the early 1980s. These and other German party organizations active in Central America could and did differ as to what it was about Washington's policies they opposed, but the important point is that German criticism of Washington has also become muted in the past few years, ever since the Helmut Kohl government replaced the SPD under Helmut Schmidt late in 1982. Not only are the Christian Democrats highly supportive of the Guatemalan and Salvadoran governments — each presided over by a Christian Democratic president — but they are much less tolerant of the Sandinistas than was the SPD. Compared with current German policy toward Nicaragua at least, Canadian policy seems anything but timid.

How do influential countries closer to home stand on Central America? In particular, how do Mexico, Venezuela, and Colombia — the three regional powers that have demonstrated the most energy in responding to the Central American crisis — get along diplomatically with Nicaragua? These three states have to all intents and purposes symbolized the Contadora process, which for four years has stood out as an alternative to the Reagan approach to Nicaragua, given its stress on negotiation and diplomacy over the use of force as the first and proper application of statecraft.

Mexican record

Within the Contadora group, it has been Mexico that has, since the early 1980s, conducted the most vigorous diplomatic campaign in Central America, and like France, it has been Mexico that raised the hackles of the early Reagan administration, both through the above-mentioned declaration on El Salvador and through its attempt to support and (say some) co-opt the Nicaraguan revolution. Although its zeal for armed uprising does not extend to neighboring Guatemala, whose various rebel forces get no aid whatsoever from Mexico City, successive Mexican governments have made much of the argument that the Sandinistas are following in the same revolutionary tradition that Mexico experienced earlier in the century. Not only has there been an attempt to paint the Sandinistas as a 1980s' variant of its own ruling party, the PRI, but Mexico has also sought through its diplomacy to achieve the goal of insulating the region from

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further violent upheaval, both through its opposition to American intervention and through its efforts to coax Managua into genuine non-alignment.

Mexico must in addition be wary of jeopardizing its important bilateral relationship with the United States, something it appears to have avoided doing, notwithstanding its vocal criticism of Washington. Although sometimes depicted in US neo-conservative circles as a chief mischief-maker in Central America, Mexico appears instead to be following a policy predicated on a reasoned assessment of where its own interests lie. Interestingly, Mexico has become somewhat disillusioned with the FSLN in the past few years; and certainly the rhetoric of the Miguel de la Madrid Hurtado government has become substantially muted in respect of Nicaragua, which is a sharp contrast with that of Josè Lopez Portillo. Nevertheless, Mexico will remain committed to the idea of a negotiated settlement in the region, whether through a revived Contadora or some other medium, and may even resume its shipments of oil to Nicaragua, now that the Soviet Union has announced it will be cutting back on its own assistance to Managua.

Colombia and Venezuela

Somewhat less consistent than Mexico in their policy toward Nicaragua have been the other two important regional states, Colombia and Venezuela. The former country has perhaps displayed the most dramatic reversal in its Nicaraguan (and broader Central American) policies since the start of the 1980s. Under the Liberal Julio César Turbay Ayala government (1978-82) Colombia showed itself to be one of the staunchest supporters of US policy toward Central America — support that disappeared dramatically (and perhaps paradoxically) with the accession to power of the Conservative Belisario Betancur Cuartas, who sought a more independent foreign policy for his country, and become one of the prime movers of the Contadora process once it appeared that Mexico's enthusiasm was beginning to flag. But Colombia's own zeal has itself recently begun to wane, and it seems that under the current Virgilio Barco Vargas administration, internal political and economic problems will occupy so much of the government's energies that there must be a sharp retrenchment of diplomatic effort regarding Central America.

Venezuela had not really been a major player in Central American affairs until the late 1970s, when it began to give active support to the forces struggling to topple the Somoza regime in Nicaragua. Its early support for the Sandinistas was closely linked to the social democratic administration of Carlos Andrés Pérez, whose Acción Democrática party (AD) is the largest Latin member of the Socialist International. When AD was replaced by the Christian Democrats (COPEI) under Luis Herrera Campíns, the thrust of Caracas' approach to the region shifted for a time, especially in respect of El Salvador. Subsequently, however, the government resumed the course on Nicaragua charted by AD: support for a negotiated settlement through Contadora, and an effort to moderate the revolutionary zeal of the Sandinistas. To the extent there has been a recent chill between Managua and the Venezuelan social democrats, who returned to power in December 1983 under Jaime Lusinchi, it is in no small way a

cause and effect of the deterioration in the relationship between the Socialist International and the FSLN.

Originally among the most ardent champions of the Sandinistas, the Socialist International has been confronting a dual problem regarding its Nicaraguan policy of late. In the first place, the SI has been torn by internal disunity between those parties seeking stronger links with Managua and those wishing a cooling of support, among the latter being both the Venezuelans and Costa Ricans. Second, the SI has in general become more dubious about the social democratic credentials of the Managua government, and though it remains on balance sympathetic to the FSLN, it has been deeply troubled by the possibility that its own understanding of "pluralism" may not at all be what the Sandinistas have in mind.

Absolutely little, but relatively much

The purpose of this brief survey of European and Latin American policies toward Central America has been to provide a comparative backdrop upon which can be situated Canada's own policy toward the region. If the charge of timidity, or the graver indictment of lack of independence from Washington, can be sustained, it can be done only by a selective reading of recent international diplomacy toward the Central American crisis. This article does not aspire to demonstrate that Canadian policy toward Central America cannot be improved: it can, for reasons that would require a separate article to elaborate. But if the argument that we have been unduly hesitant to involve ourselves actively in Central American affairs is to have any merit, it must be placed in the context of what other countries with like interests, and of reasonably similar capabilities, have been up to in the region. Ironically, one could argue that at the start of the 1980s it was the Central American policy of Pierre Trudeau that was displaying excessive timidity relative to those other countries' policies; while today, under the Conservatives, it has been — verbally if in no other ways — the Canadian government that has been most visible in distancing itself from Washington's policy toward Nicaragua. At a time when the French seem to have lost interest in the Sandinistas, and the Germans to have become positively frosty toward them, at a time when the Latin regional powers have been wearying of the effort to achieve a negotiated solution (though they will soldier on in this quest), it has been Ottawa that has been taking some interesting steps in diplomatic circles — steps such as the Prime Minister's September 1986 call for the cessation of third-party intervention in the region (widely, and correctly, interpreted as being chiefly directed at the United States); or the November 1986 Canadian vote in the UN General Assembly against the US on a resolution calling upon the latter to adhere to a decision of the International Court of Justice, which held US aid to the contras to be in violation of international law (even though many other US allies chose to abstain on the resolution, rather than actively oppose Washington).

Canadian Nicaraguan policy may indeed be timid, but it certainly is a strange kind of timidity, in light of the recent policies and actions of important Western European and Latin American states. Considering the alternative — and not just the Reagan alternative — it looks pretty good. □

Apartheid and Canadian public opinion

by Don Munton and Timothy M. Shaw

The October 1987 meeting of Commonwealth Heads of Government in Vancouver is, despite efforts to the contrary, once again dominated by the issue of South Africa. Since the March 1961 Commonwealth meeting which denied the then new Republic's application for continued membership, other issues — especially Rhodesia — have for periods taken precedence. The matter of South Africa and its racial policies, however, has continued to be a threatening cloud over the multiracial association.

The vitality of discussion in Vancouver reflects not only the intractability of apartheid's practitioners but also the intensity of popular opinion in all member states, including Britain and Canada. Moreover, the issue of racism is clearly one with profound regional as well as global implications: the white regime has not only held onto Namibia illegally but has actually destabilized all the Front Line States (FLS), most of whom are in the Commonwealth: Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe. Thus in addition to Canada's continued association with the discredited Western Contact Group for Namibia and Canada's belated attempts to effect a Code of Conduct for its companies inside South Africa, the government cannot escape from wider Commonwealth responsibilities. One of Ottawa's more enlightened stances has been to recognize the broader 9-member (seven from the Commonwealth) Southern African Development Coordination Conference (SADCC) as an organization for aid concentration. Yet infrastructural assistance without military defence to protect railways, bridges, powerlines and pipelines from destruction by South Africa's assorted grouping of "bandits" is naive. As noted by the Commonwealth Group of Eminent Persons (EPG), destabilization cost Southern Africa over US\$10 billion in the first four years of the 1980s: "That huge sum far exceeds the total foreign assistance received by SADCC, and is equivalent to about one-third of all member states' export earnings during that period."

South vs. Southern Africa

So the "South African" issue is, in reality a Southern African one for both Canada and the Commonwealth. This is particularly so for the centerpiece of both FLS and SADCC: the increasingly encircled state of Zimbabwe. This landlocked mineral, industrial and food power depends on both Mozambique — especially the strategic "Beira corridor" — and South Africa for its external trade. But as MNR squads terrorize the Mozambique countryside, just as UNITA does in Angola, so Commonwealth members — Zimbabwe, Tanzania and even Britain — have moved to defend corridor and countryside alike. As a major SADCC supporter, Canada at

Vancouver can hardly agree to do less, especially as for the first time Mozambique is an observer.

Canada, like some leading white South Africans, has begun at last to talk to the African National Congress (ANC), but unless the EPG recommendation to release Nelson Mandela is accepted no internal dialogue can take place. The Southern African safaris of the Prime Minister and the External Affairs Minister are hardly substitutes for effective policy directions, notwithstanding the former's helpful fixer role at the London mini-summit on sanctions and the latter's pre-summit visitations. The escalation of confrontation in South and Southern Africa will eventually force a more specific and continuing response. The sooner Canada adopts a positive and comprehensive regional role the better. Without a coherent and escalating set of sanctions by Commonwealth and other countries the repressive "state of emergency" will not be lifted. The crucial prerequisites for any transition beyond apartheid are recognition of the ANC and termination of destabilization.

Quite apart from the fact that Canada is hosting the October meeting, Mr. Mulroney is almost certain to take a strong position in Vancouver at least at the rhetorical level. Some observers will interpret these actions as merely yet another manifestation of traditional Canadian policy to preserve the Commonwealth in the face of serious threats to its unity and values. This was the role, of course, played by John Diefenbaker in 1961 when he sided with the non-white members of the Commonwealth in resisting acceptance of the South African re-application. It was also the role played by Pierre Trudeau in 1971 in Singapore when he facilitated a compromise on the issue of British arms sales to South Africa.

Canadian officials, and other observers of a similar mind, will characterize the effort as a continuing concern of the present government in Ottawa to engage in "constructive internationalism" — the new phrase describing an old theme, and, less often, an old reality, of Canadian foreign policy. With its echoes of the campaigns of Howard Green as well as the diplomacy of Lester Pearson, the phrase is a not-so-subtle replacement for the common notion of Canada as a "middle power mediator" in world affairs.

Whatever else might be said about Canada's recent crusading against apartheid there is little evidence of another

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long standing characterization of Canadian policy — that it is subservient to general Western interests and follows in the wake of that of its major allies, particularly British and American. Both the Thatcher and Reagan governments have been strenuously resisting demands for stronger actions against South Africa from their own multiracial societies and associates.

Foreign policy and public opinion

To see recent Canadian policy as essentially a response to international developments and a pursuit of an elusive unique role in international affairs, however, is to offer only a partial explanation. To a considerable extent, current Ottawa efforts also reflect a highly significant shift in Canadian public and elite opinion about the situation in South Africa, Pretoria's policies, and appropriate Canadian positions. This same shift, moreover, is evident in other Western countries.

Before examining the recent evidence on public attitudes it would be useful to remind ourselves of the nature of the Canadian debate on the matter of South Africa in the early 1960s, that is, at the time the Commonwealth was wrestling with the question of Pretoria's application to maintain its membership after becoming a republic, under a determinedly racist Afrikaner regime.

To many, especially English Canadians, Britain in the early 1960s was still a presence as well as a symbol. (In response to a poll in 1963, six out of ten English-speaking Canadians rejected the suggestion that Britain was "just about finished" as a world power.) Those for whom the imperial sentiment was still strong tended to have an attachment to the old — that is, "white" — Commonwealth. To take a position against Britain, which was seeking a formula by which South Africa, also an old ally, could be allowed to remain, was probably no more popular with this group than had been Canada's lack of support for Prime Minister Anthony Eden during the Suez crisis.

Ranged against lingering imperial sentiments were a collection of views, no one of which was particularly dominant. Some Canadians simply cared little about Commonwealth issues. Others argued for Ottawa to play a mediatory role or adopt a more independent Canadian policy for its own sake. Still others, concerned about the survival of the Commonwealth and offended by apartheid, called for South Africa's expulsion and for sanctions against the Union government.

The government of John Diefenbaker resisted the more extreme demands. The Prime Minister himself, however, played an important, perhaps key, role at the March 1961 Prime Ministers' meeting in resisting South Africa's application for continued membership. He declared afterwards that his actions had strengthened the Commonwealth.

Diefenbaker's action

When the Canadian public was asked by the Canadian Institute of Public Opinion (Gallup Poll) in July 1961, following South Africa's "withdrawal" of its membership application, whether this departure would strengthen or weaken "the position of the Commonwealth in world affairs," or make no difference, more respondents found the consequences negative than positive. One in four (26 percent) replied "weaken" while only one in six (16 percent) said it would strengthen the Commonwealth. Of those who had an opinion the ratio was 33 to 21. The rest thought it would make no difference.

Even more revealing were responses to a further question about Canadian policy. Of those who had an opinion (about 80 percent), only small minorities favored firm action — having nothing to do with South Africa (5 percent), or continuing to be friendly only if South Africa changed its racial policy (11 percent). A much larger group, but still a minority, believed Canada should maintain friendly relations but criticize apartheid; that is, words but not deeds. The majority (50 percent) favored Canada's continuing a friendly relationship and not criticizing South African racial policy.

It may have been an awareness of this balance of views that prompted the Prime Minister later to deny vigorously in the House that his actions had resulted in the "expulsion" of South Africa.

Canadian policy moved gradually and cautiously away from the non-interference position through the 1960s, only slowly freeing itself from the legacy of a half-century of direct official links and shaking off the inhibitions of a long-standing Commonwealth principle of non-interference in the internal affairs of other members. Canadian criticisms became stronger. Limited sanctions were adopted as described in the North-South Institute's *Review '86/Outlook '87*. In turn, white South Africa began to flex its muscles by threatening and sometimes imposing its own sanctions on recalcitrant regional actors, as indicated in a May *Briefing Paper* from the Overseas Development Institute in London.

The demands of some pressure groups and attentive publics — including the Churches' Task Force — for stronger Canadian action increased in the intervening years; if not mandatory sanctions then at least sports, military, technology, energy or financial sanctions, as indicated in *South's "Sanctions Dossier"* of this January. The available survey data unfortunately do not allow tracing the evolution of the Canadian public's thinking on this issue through the 1960s and 1970s. But current polls show dramatic changes, and some appear relatively recent.

Apartheid in the 1980s

Awareness of the "racial" policies followed by the government in South Africa has increased significantly in past months. (See Table.) Less than one-half of Canadian respondents to the Gallup Poll in mid-1985 claimed to have heard of these policies. (And that figure is almost certainly higher than it would have been during the 1970s let alone the 1960s.)

After the late-1985 Nassau Conference and mid-1986 mini-conference on EPG, which coincided with an internal state of emergency and regional destabilization, more than 60 percent claimed to have heard of these policies. When polled again early this year, over 80 percent said they had heard or read something about "the troubles in South Africa involving the South African government and the black population."

Canadians' view of the South African situation, though not unanimous, reflects a fairly strong consensus. For most of those who were aware of the situation as of early 1987 their sympathies are with the black population (70 percent). Very few sympathize with the South African government (6 percent) or even with both sides (14 percent). Only 10 percent had no feelings one way or the other.

Expectations for the future are not optimistic. Barely one in four believe that political power will come to the black population by peaceful means. Six in ten expect violence

before this end is reached. The variations across Canadians on these views are not striking. The consensus may be a gloomy one. But is also what most close observers would surely assert is only realistic.

If there is, in relative terms, a fairly high degree of awareness of the situation in South Africa, and a degree of consensus about its elements, there is still at best only an emerging consensus on what Canada ought to do about it. The CIPO polls of 1985 and 1986 chronicle some important shifts and also some enduring attitudes. There is still in Canada a significant minority who oppose any sort of Canadian action. This group amounts to about one in five Canadians (around 20-23 percent) and includes those few who believe Canada should not interfere in South Africa out of sympathy with that government, as well as those of neo-isolationist stripes who oppose almost any sort of international involvement.

The largest single group of Canadians support maintaining relations with South Africa while urging them to end apartheid. This view — the minority, “hard-nosed” view of the early 1960s — was held by a majority in mid-1985. The numbers espousing it, however, declined rather rapidly to about 40 percent by mid-1986.

The policy preferred by the rest — an increasing number of the Canadian mass public — is tougher, indeed tougher than current government policy. One in five respondents (19 percent) in the July 1985 Gallup poll favored condemnation of apartheid and cutting off relations with South Africa. Within months that proportion had increased to one in four, and within a year it had increased to more than one in three (35 percent). The trend seems almost certain to continue.

Anti-apartheid trend continues

The responses in the more recent survey to a different set of questions are consistent with these results. Only about one in every ten (12 percent) thought the Canadian government should put less pressure on South Africa. Only about three in ten (30 percent) wanted the existing pressures to be maintained. Most — and almost a majority (45 percent) — believed more pressure should be applied.

When asked specifically whether “tough economic sanctions” should be applied by Canada, more uncertainty is evident, but a strong plurality remains in support of measures. Fewer than 30 percent oppose sanctions. And, despite a much higher level of non-responses here than on previous questions (30 percent — a level to be expected when specific questions are raised), more than 40 percent support economic sanctions. Of those who had an opinion, therefore, a clear majority support them.

Reasons for opinions

Given the lack of a strong consensus on appropriate Canadian policy measures it is of some value to pause and consider the demographics of Canadian opinion on South Africa. Do certain Canadians favor certain options? Fairly consistently, across all the surveys examined here, younger Canadians, those with more formal education, and those with higher incomes tended to be more aware of the situation in South Africa, to be in sympathy with the black population rather than the government, and to support tougher measures against the South African regime. These are also the same groups, especially the latter two, which are most attentive to

the media. Thus, as groups less aware of international affairs than these become more informed about South Africa, support for sanctions will likely continue to grow.

French-speaking Canadians, and those in Quebec and the Maritimes, tended less to favor economic sanctions than others. But they were no more likely to be opposed to such measures. Rather, these groups had a significantly higher level of non-response or no opinion on the question. The likely explanation for this result is a relative lack of information. Media studies have shown that the French-language

Table

Canadians' awareness and preferences for policy toward South Africa			
	July 1985	Sept. 1985	June 1986
	(percentages)		
Awareness of South Africa's policies(1)			
Yes, have heard	48	66	61
No, have not heard	52	34	39
Preferred Canadian policy(2)			
Canada should not interfere	22	23	22
Canada should maintain relations with South Africa, while urging them to abandon their apartheid policies	53	47	40
Canada should condemn South Africa's apartheid policies and cut off all relations with that country	19	26	35
Don't know	5	4	3

1. The question asked was, "Have you heard or read anything about the racial policies followed by the government in South Africa?"

2. The question asked was, "What do you think Canada should do about this situation in South Africa? Here are three possible approaches. Which one do you feel would be the best approach for Canada to take?"

newspapers in Canada, for understandable reasons, have significantly less coverage of “British” and Commonwealth subjects than do their English-language counterparts. As for the Maritimes, the likely reason is both lower levels of education and the typically poor international coverage by the region's press.

Policy preferences are also strongly related to the partisan preferences of Canadians. Despite all-party agreement in the House of Commons-Senate Special Joint Committee on Canada's International Relations on a recommendation to “move immediately to impose full economic sanctions,” there are substantial differences in the views of party supporters. NDP loyalists (the new majority?) are much more likely to favor both more pressure and economic sanctions than are Liberal or Conservative supporters. Conservatives, perhaps predisposed to be less critical of current policies, are more likely to favor the same level of pressure rather than greater pressure and more likely to oppose sanctions. They are also,

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for that matter, more likely to express sympathy for both the South African government and its black population than for the latter alone.

Farther left, the tougher

However agreed Canadians are, therefore, on the evils of apartheid, the question of appropriate action remains very much a political one. Support for tougher action is still concentrated in, though not the preserve of, the political left.

A coincidence of questions on one of the 1985 Canadian Institute of Public Opinion's (CIPO) surveys allows an intriguing analysis of the inter-relationship between religious beliefs and attitudes toward South Africa. Those Canadians who professed to their Gallup interviewer a belief in each of the Devil, Hell, Heaven, and God are significantly more likely than those who do not have such beliefs to favor Canada's merely urging the abandonment of apartheid. Those who do not so believe tend either to favor complete non-interference or to favor cutting off all relations with South Africa. These findings appear to suggest that religiosity does not carry with it a zeal for the application of Christian principles by means of the blunter instruments of international politics. (Interestingly, while the belief in God is not related to support for any particular Canadian parties, those who believe in the Devil and Hell tend to be Tory supporters.)

British and US opinions

Canadian opinion can be compared with that of American and British publics. Polls by the UK Gallup show that Britons are following the South Africa issue more closely, believe South African reforms are "superficial," are predominantly sympathetic to the black population, but overwhelmingly perceive Margaret Thatcher to be sympathetic to the South African government. Most thus disapprove of current British policy, believe too little pressure is being applied, and, at roughly the same level as Canadians, approve the application of sanctions.

Questions asked in Britain about the consequences of sanctions allow some deeper probing. In short — perhaps because of its experience over Rhodesia — the British public is split over the effectiveness of sanctions, with narrow pluralities anticipating they would lead neither to a relaxation of apartheid nor to its end. Most, but not all, expect negative effects on South African blacks and on the UK itself. In this sense, the minds of British publics are rather accurately reflecting the debate of policy "experts."

American public opinion is strikingly similar in its criticism of the Reagan administration's policies. And it shows the same recent shifts toward greater support for tougher measures evident in both Canadian and British opinion. But support levels are higher for limited sanctions than for preventing US business investment in South Africa, and higher for limiting investment than for requiring US companies to close South African operations (a moderation induced by the high costs of principles?).

Canadian opinion stiffening

The brief comparison of Canadian public attitudes with those of the country's two closest allies makes clear that, unlike the Thatcher and Reagan administrations, the Mulroney government is following a policy on South Africa not only closer to that demanded by the non-white members of the Commonwealth, but also one which reflects its own multicultural domestic opinion. The Prime Minister and the Secretary of State for External Affairs, Joe Clark, are less "out in front" on the issue than their British and American counterparts are behind, internationally as well as domestically.

To be sure, and despite being third in popular support behind the NDP, the positions Mulroney and Clark have taken on the South Africa issue, not to mention their respective travels through southern Africa, are not based merely on political calculations. As did John Diefenbaker in 1961, both apparently have strong personal feelings about apartheid, induced in part by experiences at the Lusaka and Nassau summits.

The times, though, have changed. In the same way in which, twenty-five years ago, thinking shifted internationally on atmospheric testing of nuclear weapons, it is now clear that thinking has shifted, and likely will continue to shift, perhaps rapidly, on the matter of South Africa. What was regarded by most Canadians in the early 1960s as an internal "racial" problem of a faithful allied government in the struggle with "Communism" has been recast as a struggle for human rights and democracy against that same regime. The agonies of Soweto have been globalized.

Vancouver in 1987 will not be the last Commonwealth meeting to deal either with apartheid or its regional implications, from Namibia to SADCC. And public support in Canada, Britain and the US for firm actions is destined to grow as support for sanctions spreads from those who are most attentive to international affairs to those whose attitudes follow rather than lead the domestic consensus. □

Is there life after NATO?

by J.A. Bayer

Is there life after NATO? The authors of the recent White Paper on defence (*Challenge and Commitment: A Defence Policy for Canada*) think not. They dismiss as "naive or self-serving the arguments of those who promote neutrality" for Canada. Yet upon closer examination the arguments in favor of a non-aligned Canada appear no more naive or self-serving than those used to promote Canada's continued membership in NATO. Indeed, on balance, it can be argued that Canada's security, sovereignty and international influence would be better served by a non-aligned foreign and defence policy than by continued membership in the North Atlantic alliance.

When scratched below the surface the rationale for Canada's continued participation in NATO is not as compelling, convincing, or self-evident as assumed by alliance supporters. One of the more suspect assumptions put forward by patrons of NATO is that through membership in the alliance Canada contributes to its own security by stabilizing the sensitive military balance between NATO and Warsaw Pact countries, and more importantly, by preventing small European members from abandoning the alliance. Even if one accepts the historically debatable assumption as to the aggressive nature of Soviet intentions towards Western Europe, it is doubtful whether the withdrawal of 6,000 Canadian troops from Europe would destabilize a military balance based on thousands of nuclear weapons, millions of men, and massive inventories of conventional weapons. It is even more fantastic to assume that Canadian membership in NATO discourages other West European nations from quitting the alliance. Those European members, such as Greece and Spain, who periodically toy with the idea of getting out of NATO, make their final decisions on the basis of domestic and regional foreign policy considerations, not on the expectation of Canada's remaining a member of the alliance.

Alliances and negotiations

It is also questionable whether a strong and cohesive alliance indirectly enhances Canadian security through improved prospects for successful arms control negotiations with the Soviet Union. The underlying assumption of NATO supporters is that the Russians will not engage the West in serious arms control negotiations unless confronted by a heavily armed and politically cohesive alliance. As evidence of this it is often suggested that arms control negotiations are happening in Geneva today primarily because NATO remained resolute and united when faced by Soviet efforts to divide Europe over cruise and Pershing missile deployment, as well as the US Strategic Defence Initiative. Yet the argument is not entirely convincing. The history of arms control

negotiations over the past twenty years suggests that strong military alliances are not a prerequisite for successful arms control negotiations. Such alliances are instead a prescription for failure. Far from leading to fruitful negotiations, they are more apt to institutionalize the barriers to East-West cooperation, generate mutual hostility and suspicion, and propel the arms race to ever more sophisticated, dangerous and uncontrollable levels. That arms control negotiations are happening in Geneva today seems more a testament to Soviet and West German domestic politics than to NATO unity. In any event, the united front maintained by NATO has not made the Soviets more willing today, than in 1983, to conclude arms agreements which they seriously believe to be unequal or detrimental to their security. In fact, the united front posed by NATO likely has had the opposite effect, reinforcing the traditional Russian paranoia regarding the hostile intentions of the world beyond its borders.

Current doctrine: "limited and protracted" warfare

Against the questionable benefits to Canada associated with membership in NATO must be weighed the possible security risks brought about by recent trends in nuclear weapons technology and nuclear strategy. Over the past ten years the development and deployment of increasingly accurate strategic nuclear delivery systems has shifted the focus of superpower strategic doctrine away from mutual assured destruction towards limited and protracted nuclear warfare with its emphasis on escalation dominance, war fighting capabilities and the destruction of the opponent's command and control facilities. Membership in NATO (and also NORAD) increases the probability of Canada's becoming a nuclear battlefield in the early stages of a limited and protracted superpower conflict. Targets in the remote part of Canada, such as the unmanned and isolated Northern Warning System, are likely to prove attractive to Soviet planners in the preliminary stages of a conflict. The destruction of these facilities would damage US fighting capability, demonstrate the Soviet resolve not to lose a limited war to the United States, but not inflict sufficient damage to necessitate American escalation.

Another suspect assumption made by NATO advocates is that participation in the alliance allows Canada to exercise real influence on those East-West issues which ultimately affect Canadian security. Membership, it is argued, gives Canada the right to be consulted on all matters related to

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A new option

European security, the right to "a seat at the table" at all multilateral negotiations involving NATO and Warsaw Pact countries, and the right to be kept informed on the progress of all bilateral superpower negotiations, such as START or INF. Additionally, it is believed that because of Canada's "special relationship" with the United States, NATO membership places Canada in a unique position to exercise a moderating influence on American East-West policies, when, as happens, these policies become rigid, extreme and provocative.

Canada's influence in NATO is mainly an illusion. What supporters interpret as Canadian influence on the conduct of East-West relations is really a confusion for something far less significant, namely the ability to influence NATO discussions on peripheral questions related to procedure, protocol or technical issues. Canada has no influence over major policy questions. Key decisions related to strategy, arms control and the political conduct of East-West relations are made by the Americans in accordance with what Washington views as being in the best interest of the alliance. The NATO allies may be kept informed of American decisions — which of course is not the same as being consulted — but even on this score the US record is less than perfect. The United States will often take important policy decisions, as they did over Afghanistan, Poland and on SDI, without consulting or informing their alliance partners. The allies, however, are expected to support these unilateral decisions, whether it is in their interest to do so or not, so as to maintain the facade of alliance unity.

NATO no buffer against US

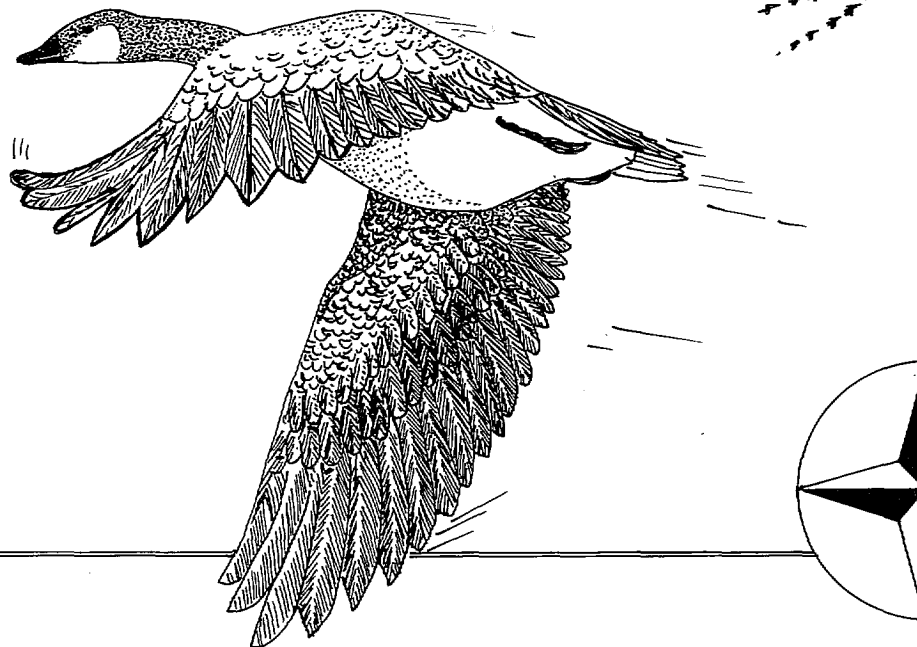
Another questionable premise for NATO membership is that it helps Canada defend its sovereignty in the otherwise delicate situation where Canadians are dependent on the

United States for protection against the Soviet Union. Affiliation with NATO, it is argued, provides Ottawa with an effective counterweight against American influence since there is less chance of Canadian interests being dominated in an alliance involving fourteen European nations than there is in a bilateral defence relationship with the United States. It is additionally claimed that membership in NATO enhances Canadian sovereignty because it allows Canada to cement its "special relationship" with the United States, thus ensuring a sympathetic hearing in Washington for issues considered of vital importance to Canada.

Once again the presumed benefits of NATO membership do not accord with reality. Participation in the Atlantic alliance has neither permitted Canadians to avoid an unequal bilateral defence relationship with the United States (NORAD), nor provided in Western Europe an effective counterweight to American influence. The Europeans have repeatedly shown through their actions that they will not jeopardize their relations with the United States in order to support Canada on sovereignty issues. This was evident in the 1970s during attempts to negotiate a meaningful trade agreement with the European Economic Community which would allow Canada to lessen its economic dependence on the United States. It is clear today from the lack of West European support for Canada in its dispute with the Americans over Arctic sovereignty. Moreover, the "special relationship" has also proven ineffective in defending vital Canadian interests in Washington. Notwithstanding Canada's enhanced commitment to NATO and NORAD in recent years, the Americans have shown increasing insensitivity to vital Canadian concerns in the areas of trade, the environment and the Arctic.



SIMON ALVES



A new direction

NATO membership restrictive

Indeed, Canadian sovereignty is possibly inhibited more than it is enhanced by membership in NATO, in that participation often compels Ottawa — in the name of alliance unity — to support policies which are contrary to Canada's best interests. The need for alliance unity compelled Canada to support cruise missile testing, the Reagan program of SDI research and the rationale for the American decision to abandon the SALT II treaty, even though these policies fuel the arms race, foster East-West tensions, and endanger key arms control treaties and objectives professed by Ottawa to be of central importance to Canadian security.

In comparison a foreign and defence policy based on non-alignment might better enhance Canada's security, sovereignty and international influence. The approach to non-alignment most appropriate for Canada, given the anarchic nature of the international system and Canada's geographic position between the two rival superpowers, would seem to be that of "armed neutrality" as practised by Sweden and Finland. Both northern countries maintain armed forces at levels adequate to defend their territorial integrity against limited foreign incursions. But neither power is capable of offering sustained military resistance to a determined great power attack. The position of Finland differs from that of Sweden in that the Finns have a treaty with the Soviet Union in which they promise not to allow Finland to be used for anti-Soviet purposes, promise to defend themselves against foreign incursions, and promise to call upon Russia for assistance should they not prove able to contain a foreign attack. This "Finnish model" would appear the most appropriate for Canada, given the need to satisfy US anxieties regarding northern defence. Guarantees similar to those embodied in the above Fenno-Soviet treaty were exchanged by the United States and Canada in 1938 when President Roosevelt declared that the United States would not stand by if an outside power attacked Canada, and Prime Minister King promised that Canadian territory could not be used to attack the United States.

Non-alignment advantages

A foreign and defence policy based on non-alignment might enhance Canadian security interests in a number of ways. Admittedly, it would not allow Canada to survive a major nuclear exchange between the two superpowers, but of course no nation, irrespective of political stripe or military strength, could escape the catastrophic consequences of such an event. However, it would lessen the likelihood of Canada's being a target in the event of a limited and protracted superpower nuclear conflict. Canada is a military and economic threat to the Soviet Union only to the extent that our alliance commitments have served to integrate the Canadian and US war economies and defence structures.

Non-alignment might also enhance Canadian security by placing Ottawa in a position to pursue foreign and defence policies based on Canada's security requirements and not on the need to satisfy NATO. Canada, in conjunction with like-minded small and middle powers, would be free to take independent initiatives in East-West relations where any move to lessen tensions and control the spiralling arms race is certain to enhance Canadian and world security. Canada, for example, could work effectively with other capable powers to establish International Verification Organizations or Satellite

Monitoring Agencies, under the auspices of the United Nations, to allow for the impartial monitoring of bilateral or multilateral arms control agreements. The establishment of this capability would help to remove the contentious and volatile question of arms control verification from the arena of cold war politics. The superpowers would find it politically more difficult to avoid effective arms control agreements (such as a CIB) on the pretext of inadequate verification methods and procedures, if an international organization staffed by respected middle powers used its capabilities to demonstrate that a verifiable agreement was possible.

Canada's ability to play a more positive and constructive role in East-West relations would also increase her influence and prestige among the neutrals of Europe, the Third World nations, and those small and middle powers who remained trapped inside the restrictive diplomatic confines of the NATO and Warsaw Pact alliances. Non-alignment would enable Canada to exercise greater political leadership in organizing associations of like-minded nations to pressure the superpowers for more genuine efforts to resolve their cold war differences. Indeed, Canada's foreign policy to date has shown its greatest flexibility, independence and effectiveness, in those regions such as Southern Africa and Central America where it has not been constrained to the same degree by the need to conform to NATO or American policies.

No need to fear penalties

The costs to Canada of a non-alignment policy are not likely to be anywhere near as high in political, economic and cultural terms as is often suggested by pro-NATO opinion. For example, a withdrawal from NATO would not be synonymous with Canada's turning its back on its European culture, tradition and heritage. Adherence to Western culture and tradition does not require membership in a military alliance, as is obvious from the examples set by Sweden, Switzerland, Austria and Finland. Contrary to the claim made by the White Paper, Canada has not always sought its security in a "larger family of like-minded nations." Until 1949 Canada avoided joining with family members in binding collective security arrangements and military alliances, precisely because Ottawa feared the consequences of such commitments in situations over which it lacked real policy control. Certainly there is the risk that a number of Western European governments (as opposed to populations) might attempt to ostracize Canada as an untrustworthy and distasteful acquaintance were it to pull out of NATO, but this charge would be difficult to sustain given Canada's historical record of assistance to Europe in times of legitimate need.

A policy of non-alignment is also unlikely to have as severe an impact on Canadian-American relations as is forecast by NATO supporters. The Americans are not likely to celebrate Canada's departure from NATO and may even make a symbolic gesture to wind-down what in any case is a one-sided "special relationship." But direct American economic retaliation against Canada seems doubtful for two reasons. First, the high level of integration between the two economies means that economic vulnerability cuts both ways. Economic sanctions may injure Canada but they would also damage important American interests. Second, retaliation against Canada for getting out of NATO would be against the wider foreign policy interests of the United States.

A new option

To prevent Canada from doing what the Soviets have allowed Finland and Austria to do has sobering implications for a comparative analysis of Soviet-American values and standards of international behavior. Thus, the Americans are likely to bluster and brood over a Canadian withdrawal from NATO, but in the end they are likely to accept a non-aligned Canada, provided they are reasonably assured that Canadian territory could not be used to launch a surprise attack against the United States.

Not so costly

To attain this confidence it is unlikely that Canada would have to expand its military establishment or defence budget beyond current levels. A defence policy modelled on that of Finland or Sweden would not so much necessitate the expansion of Canada's armed forces as it would entail the redistribution of existing manpower. Greater emphasis would have to be accorded sea and air power, and less emphasis placed on land forces. Nor is it certain that Canadian taxpayers would have to pay more for a defence policy based on the

need to protect Canada's territorial integrity against limited incursions. Contrary to assertions made by those who advocate NATO membership, the percentage of GNP devoted to defence spending by the European neutrals is generally less than the percentage currently devoted to defence spending by Canada — a percentage, coincidentally, which many NATO advocates claim is not enough. In 1983, the last year for which reliable comparative figures are available, Canada allotted 2.1 percent of its GNP to defence. In the same year, Austria spent 1.4 percent of its GNP on defence, Finland 1.6 percent, and Switzerland 2.1 percent. Only Sweden, at 3.2 percent, spent a greater portion of its GNP on defence than Canada.

NATO is now approaching forty. Clearly those factors which led to Canadian membership in 1949 have long since faded into history. Today, as we approach the end of the twentieth century, it is neither naive, self-serving nor hypocritical to believe that Canada may enjoy a better life after NATO. □



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The events of June and July 1987

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

Bilateral Relations

USA

Trade Negotiations

Negotiations aimed at a Canada-US free trade agreement continued during this 2-month period (See "International Canada" for April and May 1987). On June 3 International Trade Minister Pat Carney went to Washington to meet with US Special Trade Representative Clayton Yeutter and Secretary of Commerce Malcolm Baldrige. The *Ottawa Citizen* reported on June 3 that a senior Canadian official had said, "I think they are just trying to find ways of lifting some of the rocks out of the road," and had defined those "rocks" as the US demand for unrestricted investment by both countries, and the reluctance of the US to grant Canada complete access to US markets while the Canadian federal and provincial governments maintained a policy of regional and industrial subsidies. The following day the *Ottawa Citizen* reported that Ms Carney had warned US officials that congressional attempts to crack down on alleged unfair subsidy practices by Canada and other US trading partners could result in "mirror legislation" in Canada. "The US could be subject to increased countervail [actions]," the Minister said. She said that her 2-day visit did not indicate that the negotiations were in trouble. "I certainly have full confidence that we can resolve these issues. [The agreement] is only months away from being negotiated" (*Toronto Star*, June 5).

The *Globe and Mail* reported on June 9 that a new American Coalition for Trade Expansion with Canada had been formed by more than 175 US companies and trade associations to promote free trade with Canada. Among the members of the new group were Dow Chemical Co., American Telephone and Telegraph Co., Coca-Cola Co., Polaroid Corp., and Pillsbury Co. The executive director of the groups said, "Because Canada is by far our largest trading partner, stakes are extremely high in these negotiations to remove barriers that inhibit free trade."

Meanwhile a group of fifteen US congressmen told US chief negotiator Peter Murphy that an agreement would be acceptable to congress only if it corrected the imbalance in Canada-US automotive trade, tackled unfair subsidies, eliminated tariffs and promised adherence to the agreement by the provinces. Following the Washington meeting both Mr. Murphy and the congressmen predicted "major resistance" in congress to Canada's proposal for a binding trade disputes settlement mechanism that would remove Canada-US trade from the grasp of existing trade remedy

laws. Representative Howard Wolpe of Michigan also said that "failure to resolve the auto question is going to mean in my judgment lack of congressional support for any agreement" (*Ottawa Citizen*, June 11). US Special Trade Representative Clayton Yeutter expressed concern over the unresolved major issues in the negotiations. "I'm not convinced the task is an impossible one. [But] it's going to be very difficult to bridge those gaps between now and October," he said (*Ottawa Citizen*, June 12).

Prime Minister Brian Mulroney, meanwhile, met with US President Ronald Reagan during the Venice Group of Seven summit (See Multilateral Relations — Group of Seven, below) to discuss problems involved in the free trade talks. The Prime Minister said after the meeting, "We're concerned that the separation of powers [in the US political system] makes it more difficult for them than for us." Mr. Reagan said only that the negotiations retained his full support (*Globe and Mail*, June 12).

On June 15 a new round of talks began in Washington. At the end of the 2-day session, Canadian chief negotiator Simon Reisman said that he was more "up-beat" after the talks, during which "we've had some very concrete proposals on some critical issues." Mr. Reisman added, however, that "there's considerably more that remains to be done . . . I don't want to leave the impression that we are over the hump and that we've removed all the big rocks. There's still a far distance to go." US chief negotiator Peter Murphy called the situation "very tough . . . In fact, if anything, it's getting tougher. There's still hope for an agreement. But it's a question of how congress decides to treat it . . . You'll see negotiating right down to the wire." US Special Trade Representative Clayton Yeutter said after the session that an agreement was still possible, if it were "in the best interests of both parties. But I don't want to underestimate the political difficulties" (*Globe and Mail*, June 17).

On June 17 the Canadian Conference of Catholic Bishops released a booklet entitled *Free Trade: At What Cost?* The publication stated the Roman Catholic bishops' view of a free trade agreement as "the centerpiece of a major strategy to restructure Canada's economy and society for a high-tech market future," which would threaten the livelihoods of Canadian workers, small producers, and people on social assistance and fixed incomes. In addition, the publication stated, Canadians were concerned about the impact of a free trade pact on Canada's capacity to act

as a sovereign nation with an independent foreign policy (*Toronto Star*, June 17).

Less than a week later, just as a new round of talks was beginning in Ottawa, a memorandum written by a US congressional staff member to members of the Congress summarizing the position of the US deputy trade negotiator was obtained by the Canadian Press. The memorandum referred to negotiator William Merkin's aim to whittle down the Canada-US auto pact until it was "no more than a shell," and his assurance to congress that negotiators had already agreed to drop all auto tariffs at the Canada-US border. Canadian Auto Workers' union chief Bob White said that the dropping of tariffs was in itself reason enough to reject an agreement, since without the ability to impose tariffs Canada would be unable to enforce the pact's minimum production standards. The memorandum also stated the US negotiators' wish to remove Canada's multilateral application of the pact — meaning auto firms from any country that met the production requirements of the pact could qualify for its benefits and export cars duty-free from Canada to the US — and Mr. Merkin's confidence that Canadian negotiators would agree to drop this aspect of the pact (*Globe and Mail*, June 22). US chief negotiator Peter Murphy said after the first day of the new round of talks, "We have made no proposals on the auto pact, per se." He added that "it's a comprehensive negotiation. That's all I can say . . . I'm sure that Canada has full right, like the United States, to turn any agreement down. If it doesn't like it, turn it down. It's that simple." Simon Reisman said that the auto pact had not been discussed during the day's talks (*Globe and Mail*, June 23). Following the second day of the talks, Mr. Reisman said, "We've stepped up the pace . . . We are now engaged in every issue of critical importance to Canada and we are in fact exchanging written proposals" (*Ottawa Citizen*, June 24).

A report by the all-party Commons Committee on External Affairs and International Trade which was tabled in the Commons on June 23 called upon the Canadian government to "vigorously resist" any attempt to undermine the auto pact's Canadian production safeguards, and to exert "maximum political and diplomatic pressure" to get overseas manufacturers to meet the pact's Canadian content provisions. The report also called for trilateral negotiations with the US and Japan to discuss ways to rationalize Japanese auto production in North America under terms of the auto pact (See Bilateral Relations — Japan, below), and an automotive task force to advise the government on the future of the industry (*Windsor Star*, June 24).

Meanwhile Canada's ambassador to the US, Allan Gotlieb, wrote to all 100 US senators in an appeal to refrain from adopting an omnibus trade bill which would tighten US trade remedy laws. Mr. Gotlieb warned that enactment of the proposed legislation could provoke retaliation by US trading partners and jeopardize efforts to improve the world trading system (*Ottawa Citizen*, June 25). International Trade Minister Pat Carney said in Vancouver the same week that "if it's [a free trade agreement] going to fall apart, it's going to fall apart in the next couple of weeks . . . The hard stuff, particularly dispute settlement, is what we're

doing now . . . It goes to the heart of the congress' relationship with the administration . . . If we don't get a free trade deal, it may be for reasons totally beyond Canadians' control, and that is the fact that there is a traditional tension between the congress and the administration over who sets trade policy . . . I would say that the free trade talks could be the victim of the US [omnibus] trade bill" (*Globe and Mail*, June 26).

Further dampening of hopes for an agreement resulted from a letter written by US President Ronald Reagan to Prime Minister Brian Mulroney during the same week. Mr. Reagan told the Prime Minister that a dispute settlement agency would only be acceptable to the US on an "as required" basis for individual complaints, and that both Canada and the US would have to agree to send a particular issue to arbitration before it would be set apart from US trade laws (*Globe and Mail*, June 26). In the Commons on June 26, in response to reports of the letter from Mr. Reagan, Liberal leader John Turner demanded that the Prime Minister advise Mr. Reisman to walk away from the negotiations "while he still has his shirt on his back." NDP trade critic Steven Langdon said, "I think it's time for us to pack our bags and head home." The Prime Minister denied that he had received any indication that the US team rejected Canada's key demand for a dispute-settling mechanism (*Ottawa Citizen*, June 26).

On June 26 Larry Buganto, chairman of the Automotive Parts Manufacturers' Association of Canada (APMA), said that Canada's negotiators should either take advantage of the free trade talks to toughen the safeguards of the auto pact, or negotiate another agreement that would set sharply higher local content rules and extend them to cover offshore producers. "Leaving the auto pact alone is no answer. The risk of doing nothing would be greater" than the risk of trying to renegotiate the pact, he said in a statement which contradicted the position of auto manufacturers, the Canadian Auto Workers union and the Ontario government, all of whom had said that the auto pact must be left off the bargaining table. The new position taken by APMA was encouraged by a report that the Canadian negotiating team had agreed to drop all tariff barriers on automotive parts. "We know that the removal of tariffs would render the auto pact toothless and ineffective," Mr. Buganto said (*Globe and Mail*, June 27).

Prime Minister Brian Mulroney told the Commons on June 30 that he had warned US President Ronald Reagan in a letter that any free trade deal would have to include a binding procedure to settle disputes between the two countries, and that it was "fundamentally inconsistent" for the US to seek free trade with Canada while insisting on retaining unilateral power to launch retaliatory attacks on Canadian trade. "There are very serious difficulties to overcome," the Prime Minister added (*Toronto Star*, July 1).

The *Globe and Mail* reported on July 1 that a study by the C.D. Howe Institute of Toronto and the National Planning Association of Washington had concluded that trade protectionism by the US would affect Canada more than any other US trading partner, and that US aggressiveness in applying "fair-trade laws may be setting precedents that

will come back to haunt the United States in the 1990s, when other countries begin to employ similar measures to reduce US exports." The authors of the study said that US protectionism could trigger a broader trade war that "could cause a spiral of debt default and global recession," and even what they called "more moderate outcomes" of US trade legislation would still damage Canada-US trade relations. The study cited the Canadian softwood lumber case, in which the US Department of Commerce decided that provincial resource policies and the setting of stumpage fees created grounds for countervailing duties (See "International Canada" for December 1986 and January 1987). "By doing so, it may have opened a Pandora's box. US farmers who benefit from the use of water rights from public rivers and government-assisted irrigation schemes could face countervail from foreign countries." The study also concluded that fear of US protectionism could damage the free trade talks, and "if the talks are perceived to fail through US intransigence, a nationalist, anti-US backlash could have serious implications for Canada-US relations over the next decade or more."

The provincial premiers were briefed in Ottawa on July 7 on the progress of the free trade negotiations. Premier David Peterson of Ontario said following the briefing that there was "no way" he could give his approval in principle to Ottawa's position at the time. Mr. Peterson suggested that the provinces be given the same period of time as the US congress would have (from October 1987 to January 1988) to give their formal approval or rejection of the substance of an agreement (*Globe and Mail*, July 9).

On July 8 two influential US senators, John Danforth of Missouri and Lloyd Bentsen of Texas, said after meeting with Canadian supporters of free trade that Canada's demand for a binding dispute-settling mechanism as part of a free trade deal was "just totally unacceptable as far as we're concerned." Both senators were members of the senate finance committee, and had met with former Liberal cabinet minister Donald Macdonald, former Alberta premier Peter Lougheed, and other members of the Canada Alliance for Trade and Job Opportunities, a non-partisan group supporting free trade. Mr. Lougheed said he expected the view of the senators to change once there was a better understanding of what Canada was seeking in a trade disputes procedure. US business leaders at the meeting expressed support of a free trade agreement with Canada, calling it the best chance of expanding 2-way trade and creating more jobs on both sides of the border (*Globe and Mail*, July 9).

In Washington after the first day of a new round of free trade talks, Simon Reisman said that he would be saying nothing about the progress of the negotiations until they were completed. "I think the time has come where it's just too risky in terms of the outcome of the negotiations to take risks about misinterpretations, which have occurred all through the piece," Mr. Reisman said (*Toronto Star*, July 14). After the second day of the new round of talks, US chief negotiator Peter Murphy said that, while the negotiations had reached a "crunch" period, "I think I can come up with

an agreement personally that would be attractive to Canada" and "constructive" for the US congress to examine (*Ottawa Citizen*, July 15).

On July 16 a senior Canadian government official said that negotiators might be forced back to the bargaining table even after they initialled a free trade agreement on October 3, the US congressional deadline for "fast-track" approval. "If congress were to come to the administration and say this provision or that provision just cannot pass, the administration would have to reach a decision at that point whether to push it through or not," the official said, and negotiators at that point might be recalled. "One of the big question marks that we have is the political will that the administration will have or not have, or the capacity it will have to shape the final version of the [omnibus trade bill before the Senate]," he added (*Globe and Mail*, July 17).

After a 1-day negotiating session in Ottawa, Simon Reisman said, "The days when we have long debates and a lot of philosophical stuff are behind us. We're now at the stage where we get reports from working parties and we deal with them in a very businesslike way." Specific issues would be discussed by working groups over the following two weeks, he added, but he gave no details of the talks, reiterating his earlier position that any comments could be misconstrued and jeopardize the negotiations (*Ottawa Citizen*, July 21).

While Mr. Reisman spoke to the press, the US senate was voting 71-27 in favor of an omnibus trade bill that would impose protectionist measures on all US trading partners. "Let the message be heard down at the other end of the avenue and let it be heard from the Atlantic to the Pacific and from the Canadian border to the Gulf of Mexico that this senate is standing up for America," said Democratic majority leader Robert Byrd before voting in favor of the bill. US President Ronald Reagan reaffirmed his view of the bill by telling Republican senators before the vote that "the signs point straight to a veto." The elements of the bill affecting Canada were those dealing with trade in steel, pork and sugar, the application of US trade remedy laws to Canadian goods, and a broadening of the US president's power to impose tariffs or quotas on a wide range of products including minerals, natural gas and oil (*Globe and Mail*, July 22).

The Department of External Affairs reacted to the US senate vote by saying that the bill would lead to "friction" between the US and Canada. NDP trade critic Steven Langdon said, "I think it's a clear message to us that congress is not interested in free trade with anybody, let alone Canada, its biggest trading partner . . . It's very clear that the free trade talks are not going to go anywhere." Liberal trade critic Lloyd Axworthy said, "Congress is moving in a diametrically opposed direction to the bilateral talks . . . The US administration will win enormous concessions and then congress will extract its own additional price before approving an agreement" (*Toronto Star*, July 23).

On July 24 the *Toronto Star* reported that senior negotiators on both sides of the talks were optimistic that a "credible package" in agriculture could be achieved in a free trade agreement, but they also agreed that major trade issues in agriculture could only be settled in multilateral

negotiations with European countries through the GATT. And while US negotiators blamed the low Canadian dollar for the US trade deficit with Canada in agricultural products, and insisted that the Canadian exchange rate "will continue to be a key issue in bilateral discussions," a Canadian official denied that the exchange rate was part of the negotiations.

A working group of the Canadian and American Bar Associations recommended on July 23 that the two countries should establish two joint agencies to handle trade problems: one a commission to monitor trade relations and act as a consultant in trade disputes, the other a tribunal with the power to issue binding legal rulings on disputes that could not be solved voluntarily. The group acknowledged, however, that persuading the US negotiators of the need for a tribunal with binding powers was a "philosophical problem" that had to be left to the two governments to solve (*Ottawa Citizen*, July 24).

On July 24 members of the Canadian Coalition Against Free Trade met with key US congressional aides in Washington, and reported after the meeting that they thought congress was increasingly convinced that it would be able to approve an agreement because it felt its concerns would be met. In particular, members of the Coalition said, none of the aides believed that US President Ronald Reagan would send a pact to congress that included the binding disputes settlement mechanism sought by Canada, because such a clause could doom the agreement. "It's very clear there will be some sort of dispute mechanism, but no one, under any circumstances, sees the United States as giving up the trade remedy legislation," said Marjorie Cohen, an economist and member of the Coalition (*Ottawa Citizen*, July 25).

Another Canadian delegation was more optimistic after meeting with fourteen US governors in Traverse City, Michigan. Premiers David Peterson of Ontario, Grant Devine of Saskatchewan, Robert Bourassa of Quebec and Howard Pawley of Manitoba all agreed that the talks had been constructive. The session was the first to be held following an agreement made in 1985 — during the dispute over softwood lumber exports from Canada to the US — that the governors and the premiers should meet to try to keep trade disputes from getting out of hand. The premiers said they had tried to clear up misconceptions about US trade with Canada, in the hopes of making some governors reconsider their support for protectionist legislation, which the premiers said could only be fairly applied to countries with large trade surpluses, mainly Japan and West Germany (*Ottawa Citizen*, July 29).

The issue of Canada's trade surplus with the US was clarified somewhat on July 29 when officials from both countries signed an agreement stating that each country would base its statistics on the other country's import figures. A discrepancy between US and Canadian figures on the trade balance between the two countries had reached a peak in 1986, when US figures reported a much larger deficit with Canada than Canadian figures showed. "It's a great disadvantage to Canada in the US press and congress," said Canada's chief statistician, Ivan Fellegi. "It affects the image of Canada as a fair trading partner. . . . It

obviously plays into the hands of protectionists." Louis Kinnannon, deputy director of the US Department of Commerce, said that the new agreement to accept and trust the data provided by the other country was unprecedented. It was to take effect gradually beginning in January 1988 (*Ottawa Citizen*, July 30).

Finally, on July 31 the *Ottawa Citizen* reported that a senior Canadian government official said that Simon Reisman was expected to present to Cabinet by mid-August an outline of a free trade agreement. The so-called "bracketed text," with areas of dispute highlighted, would be shown to provincial premiers on September 8, but the official added that some disputed areas — namely, investment, a binding dispute settlement mechanism and government subsidies — would likely remain "until the last hour." The official also said that there was no formal ratification process for the provinces and there would not be a vote by the premiers, but he added that the federal government had been "actively thinking and discussing the whole post-October process and this whole business of public discussion with the country." The deadline for the initialling of a draft agreement by the two negotiating teams remained October 3.

Softwood Lumber

At the beginning of June the issue of Canadian softwood lumber exports to the US again became controversial (See "International Canada" for December 1986 and January 1987). Adam Zimmerman, chairman of the Canadian Forest Industries Council (CFIC), said that trade legislation before the US senate "threatens all Canada's natural-resource-based industries" because it sought to redefine a subsidy in a way that could make most Canadian resource exports subject to countervailing duties. "Previously," Mr. Zimmerman said on behalf of the CFIC's board of directors, "if a program was in wide use, it would be exempt from countervailing duty." Under the proposed new definition, however, any program that aided a discrete class of beneficiaries — as opposed to all of society — could be subject to countervail. "Clearly, any industry to which Canadian governments grant rights to fish, cut timber or produce power could be vulnerable to a finding of subsidy under this language. The provision also threatens industries that use large quantities of government-produced electricity or natural gas," he said. Mr. Zimmerman also pointed out that, even if US President Ronald Reagan vetoed the legislation, the US congress could overturn his veto, and that the Canadian government would have trouble getting congress to accept a free trade agreement when their own legislation was protectionist. "The settlement in the lumber case," he added, "did not get congress to back off." The settlement, which had been denounced by the Canadian industry, was said by the Canadian government to be necessary to prevent the implementation of protectionist trade legislation by the US congress, he said (*Globe and Mail*, June 2).

When provincial forestry ministers met in Winnipeg during the first week of June, they were unable to agree on a single package which could be used to replace the federal government's 15 percent export tax on softwood shipments to the US. The federal government had asked the provincial

ministers last January to come up with a substitute package, but in the end each province decided to submit its own individual proposal, which would have common elements such as increases in stumpage fees, and in other timber fees and product taxes aimed at lumber shipped to the US. "I am not at liberty to say exactly what stumpage and revenue changes we have agreed to make," said an official from Alberta. "There will have to be more discussions with the US. It would be a mistake to be too specific right now about what we're offering." Ontario's Minister of Natural Resources, Vincent Kerrio, said that Ontario preferred to see the export tax remain until politicians could be certain what damage their agreement with Washington was doing to Canadian lumber producers. "As long as it's an export tax, and we're in free trade talks, we might have some way of negotiating it away. Once it is buried in stumpage or other provincial charges, we're in no position to change it," he said (*Globe and Mail*, June 3).

On June 5 the *Globe and Mail* reported that Ontario premier David Peterson, following an Ottawa meeting, said that "five or six" premiers had told him that they felt Ontario had been right to oppose the softwood export tax and to want to fight the battle in the US courts. Canada's market share had dropped in the US as a result of the added annual cost of \$500 million to Canadian lumber at the US border, the report said.

The government of Quebec announced in early July that it would begin in August to compensate its provincial lumber producers for extra costs they were incurring as a result of the export tax. Payments, which would be retroactive to April 1, were to be equal to the increase in provincial stumpage fees which took effect April 1. Although they would apply only to exporters of softwood to the US, payments would be carefully tied to stumpage, in order to prevent claims by the US industry that Quebec was simply pouring the export tax revenues back into the industry as a subsidy, a move which would violate Ottawa's agreement with the US Commerce Department, the report said (*Globe and Mail*, July 3).

Also early in July, lumber remanufacturers in British Columbia claimed that door frames, pressure-treated wood and other wood products which they made and sold to the US market were being taxed by 15 percent on their finished values rather than on the value of the raw softwood material. An appendix listing some value-added softwood products which were to be exempt from tax on finished value was incomplete, the manufacturers claimed. "When you consider that only one-third of the value of a window frame comes from the raw material used, and two-thirds is value-added, you can see how punitive it is to tax on the finished product," said forest consultant Charles Widman. Percy Eastman, director general of US relations for the Department of External Affairs, said that while discussions with the US industry were ongoing, "they haven't gone anywhere, hence the frustration of [the British Columbia manufacturers]," who were demanding that International Trade Minister Pat Carney exercise her authority to make unilateral changes to the appendix in question (*Globe and Mail*, July 9).

A report in the *Globe and Mail* on July 13 said that while softwood products that had not made it on to the exempt list accounted for only about \$200 million of the total \$4 billion in annual Canadian softwood exports to the US, the US industry negotiators were not interested in putting them on the list unless the Canadian industry made further concessions, according to a Canadian industry negotiator. The report also said that Canadian government sources had suggested that the US refusal to budge on the appendix to the lumber deal was one reason that the Canadian federal Cabinet had delayed in having the export tax legislation proclaimed into law, even though the bill had cleared Parliament in late May. "The US says it won't move until this is law, and we say we want some action on the obvious anomalies," said one Canadian government source.

The *Ottawa Citizen* reported on July 18 that Canadian government officials said that it would be months before the federal and provincial governments could agree on measures to replace the controversial 15 percent export tax, since the package submitted by the provinces after their June meeting was not good enough to submit to the US for approval. "It doesn't make much sense to go to the Americans until we have our own act in place," said one official. The US Commerce Department would have to approve any replacement scheme to ensure that its impact would be equal to the tax, the report said.

International Trade Minister Pat Carney announced on July 31 that the first payment of softwood export tax revenues to the provinces would be made that day. Future payments would be made monthly, the International Trade communiqué said.

Steel Exports

The issue of Canadian steel exports to the US remained a controversial one during this 2-month period (See "International Canada" for April and May 1987). The *Globe and Mail* reported on June 3 that the American Iron and Steel Institute's (AISI) twenty-five member companies — accounting for 77 percent of total US steel production — showed a US\$4.2 billion loss in 1986, "the worst in [the industry's] history." The report said that the loss, an increase from a 1985 loss of US\$1.8 billion, would mean that the industry would continue to press for an extension of the US government's voluntary restraint agreements (VRAs), and for an inclusion of Canada among VRA trading partners. According to the AISI, "The most important single market factor in the steel industry's poor financial performance in 1986 was the continued high level of import penetration," the report said. Spokesman Sheldon Wesson said that, because import share had not decreased as a result of the VRAs, "we are talking about some system of import controls beyond the expiry of the present VRA program in September, 1989 . . . We want some system to continue until we do indeed get five years of relief." Mr. Wesson also said that, despite the declining value of the US dollar relative to other world currencies, "prices of imported steel, as reported by the [US] Department of Commerce, actually declined from 1985 to 1986 — a clear indication of continued dumping by producers abroad." The AISI would

be watching Canada's new steel export monitoring system with interest to see what it showed, he added, but the US industry was nevertheless anxious to see controls placed on Canadian shipments. "Canada has grown both in quantity and share in the [US] market in the last two years. It's not something that can be overlooked. It's there. It's big."

On June 15 the *Ottawa Citizen* reported that US Commerce Department figures showed that Canadian steel shipments to the US in April 1987 were 20 percent higher than in April 1986. The report said that, while the AISI claimed that these figures proved the need for controls on Canadian exports, a Canadian industry spokesman countered that the surge indicated a strong demand for steel in the US. The *Globe and Mail* reported on June 16 that Canadian steel shipments to the US were down in April from March, but that the AISI continued to view non-VRA exporters — Canada, Sweden and Taiwan — as the main villains in the US steel industry's eyes.

After so-called "flash" figures for May were released by the Canadian government, indicating a further drop from April, Canadian Steel Producers Association spokesman Dan Romanko said, "The most important thing about the figures is for the last two months they're on a downward trend. I think that trend is going to continue, and as a matter of fact accelerate. So I think the numbers are going to be considerably lower as the summer wears on" (*Globe and Mail*, June 17).

The US Department of Commerce figures for May confirmed that shipments were down from April, but Dan Romanko said that the US figures were too low, and that "makes me a little bit wary because they tend to catch up in the next month," and another "blip" caused by delayed reporting in the US could renew already vehement demands for Canada to sign a VRA on steel imports. The US figures also showed that most of the increase in imported steel's US market share was from non-VRA traders (*Globe and Mail*, July 16).

On July 16 US President Ronald Reagan announced the extension of the import relief program for stainless and alloy tool steel until September 30, 1989. The program had been in place since July 1983, in the form of additional tariffs on imports of specialty steel products. The Canadian government expressed disappointment with Mr. Reagan's decision, calling the action "unwarranted, particularly in view of the fact that US specialty steel producers have benefitted from such measures for seven out of the last ten years . . . more than enough time to adjust to international conditions with respect to these products." International Trade Minister Pat Carney was to raise the issue at a meeting with US congressmen in Ottawa on July 30 (International Trade communiqué, July 20).

Finally, the first figures resulting from the Canadian government's new steel export monitoring program were released in late July. The *Globe and Mail* reported on July 23 that in June 1987 Canada shipped 304,980 tons of steel to the US — 3,840 tons in the form of fabricated structural steel pieces (excluded from import controls) and 4,267 tons under temporary import bonds to be processed in the US and returned to Canada, leaving 296,873 tons of a type that were of concern to US Department of Commerce and the

US steel industry. Michael Virr, an international trade officer with the Department of External Affairs, said that the figures for steel of Canadian origin were firm, but that the figure for steel of foreign origin was approximate "because of some technical problems and teething problems in producing these reports." The following month's report, he said, would include a firmer tally of foreign-origin steel shipments. The closeness of the June figures to the June "flash" figures released by the government left steel trade officials confident that the new monitoring program was working, he added.

Clark-Shultz Meeting

External Affairs Minister Joe Clark and US Secretary of State George Shultz met on July 2 in Windsor, Ontario and Detroit, Michigan. The quarterly meeting marked national holidays in both countries, and joint festivities were held. Topics touched on included Canadian Arctic sovereignty, Canada's new defence policy, international agricultural trade, the free trade negotiations, and acid rain. In a speech to the Economic Club of Detroit on July 2, Mr. Clark said that environmental disputes, such as those over the Detroit incinerator and acid rain, were threatening to harm Canada-US relations. "Acid rain is not an equal opportunity destroyer. It threatens our economy and our health more than yours," he said. Mr. Shultz expressed optimism regarding the free trade talks, saying that while "success is not assured . . . we are optimistic that we will be able to conclude a draft agreement which advances the economic interests of both countries and present it for congressional and parliamentary review in early October." Later Mr. Shultz told a luncheon audience that the US was considering Canadian proposals for an acid rain accord, but he did not elaborate (*Windsor Star*, July 3).

Acid Rain

Ontario's Environment Minister Jim Bradley had strong words on the acid rain issue at the beginning of June. Mr. Bradley told an American Bar Association conference in New York that acid rain from the US was a form of "undeclared chemical warfare . . . Canada has put in place a plan to cease firing," he said, "but we want the truce to be mutual . . . I come here as a friend of America and a foe of acid rain. Canadians are as pro-American as anyone you'll find, but friends are allowed to criticize one another." Mr. Bradley accused the US of "hiding behind endless research" and US leaders of lacking "the political will to make the polluters" use existing cleanup methods. The "single biggest spender among those who lobby Congress for favors is a coal industry and electric utility that spent (US)\$3 billion last year to fight pollution controls," he said. Ohio utility commissioner Ashley Brown, who was speaking from the same panel, said that his state, one of the largest producers of acid rain-causing pollution, had no intention of moving quickly to clean up. "Technology cannot be forced," he said (*Toronto Star*, June 6).

The US Supreme Court refused on June 8 to order the US Environmental Protection Agency (EPA) to order emissions controls in midwestern states. The justices rejected

an appeal by the province of Ontario, various environmental groups and eight northeastern states (See "International Canada" for February and March 1987). Lawyers for the EPA had urged the Supreme Court not to hear the case, noting that the US and Canadian governments were involved in extensive studies on how best to address the acid rain problem, and that the US had committed US\$2.5 billion in public money and the same in private funds to develop acid rain-control technology (*Ottawa Citizen*, June 8). In Toronto, Ontario Environment Minister Jim Bradley said that the decision came as no surprise. "It is disappointing, but we have a lot of allies in the United States who are prepared to assist us in putting forth our point of view." He said that the decision showed that the Canadian government should not speak optimistically about a possible bilateral acid rain agreement with the US: "The US is not serious about it, at least not the administration" (*Globe and Mail*, June 9).

On June 11 a bill was introduced in the US House of Representatives which was almost identical to a 1986 bill which did not make its way through congress. The legislation would order significant cuts in acid rain-causing emissions from coal-burning power plants and factory boilers, and cars and trucks. Minnesota Democrat Gerry Sikorski, who sponsored the legislation, said that while the US congress was preparing to act immediately on acid rain, US President Ronald Reagan would likely continue to stall and pass the acid rain dispute to his successor after the 1988 presidential election. "The problem is not whether we're going to stop acid rain," Mr. Sikorski said. "The question is whether we're going to do it stupidly, and wait until we've destroyed our lungs and our lakes, farms and forests and part of our economy and a good part of our environment. . . or whether we're going to do it, as the scientists have been encouraging us to do it, in time to save some of those resources." The bill would reduce sulphur dioxide emissions from coal-burning plants and factories by about 40 percent in two stages ending in 1997, and nitrogen oxide from plants, factories, cars and trucks by about 20 percent over the same period. Mr. Sikorski had eight co-sponsors on the bill, which would have several sub-committee and committee hurdles to overcome before it would reach the floor of the House (*Globe and Mail*, June 12).

The *Globe and Mail* reported on June 17 that the Halifax annual meeting of the premiers of five eastern provinces and the governors of six New England states had unanimously adopted three resolutions related to acid rain. The first called on Ottawa and Washington for "an immediate program to reduce the long-range transport of air pollutants and acid deposition." The second asked that the EPA and Environment Canada "increase support for comprehensive air-quality monitoring in forested areas." And the third called for all eleven leaders to notify each other whenever a new project could have an environmental impact on neighboring states or provinces. The agenda for the meeting had focussed on sharing information about high technology, but the resolutions were made because "environmental concerns will just not go away," said Vermont governor Madeleine Kunin.

Members of a special parliamentary committee on acid rain said on June 24, after a Washington meeting with

US congressmen and officials, that they did not want Canadian negotiators to be so flexible in trying to reach an acid rain accord with the US as to allow long delays in reducing chemical emissions in the US. Committee chairman Stan Darling (PC — Parry Sound-Muskoka) and Liberal environment critic Charles Caccia (Davenport) said they wanted a 1994 deadline on both sides of the border. "There is definitely no intention to accept the notion of flexibility in this business. It is too important and too serious and too urgent," said Mr. Caccia. Mr. Darling said, "We're going to try to hammer out the best deal we can and we're going to be very strong in stating that we want the target date to be 1994. The June 25 *Globe and Mail* report stated that a Canadian government official had said that Canada had presented a flexible position at the May negotiating session that would allow the US a longer timetable for reductions than Canada's own 1994 target.

On June 29 the *Globe and Mail* reported that the US congress had, the previous week, agreed to spend only US\$350 million over the following three years — as opposed to the US\$2.5 billion requested by US President Ronald Reagan — on research into ways of burning coal more cleanly. Richard Ayers, a lawyer with the US Natural Resources Defence Council, said that the vote "illustrates the erroneous tactics pursued by the Canadian government" in agreeing to Mr. Reagan's desire for increasing research into clean-coal technology instead of limiting acid rain-causing emissions. "This is good news for those who want a real acid rain control bill," said Mr. Ayers, since members of the House of Representatives who favored legislated targets to reduce emissions had no intention of agreeing to Mr. Reagan's financing request, which they considered a stalling tactic to avoid making real reductions in acid rain. His group and other environmental groups in Canada and the US saw the vote as the opening salvo in a major political battle shaping up in the US congress not only for acid rain controls, but also for clean coal projects and improved ozone safeguards. Canadian officials in Washington were reported to have agreed that acid rain legislation had a better chance of success in the US congress if it were promoted in concert with the other two elements. "It's only the beginning of the debate," said one Canadian official of the vote. During the same week, the report said, the next political moves on the US congress would be made when a key US senate environmental subcommittee was to draft a bill partly aimed at cutting sulphur dioxide emissions by twelve million tons — a reduction of more than 40 percent — by the mid-1990s (*Globe and Mail*, June 29).

Meanwhile, on July 7 the *Toronto Star* reported that the UN Environment Program and the World Health Organization had issued a joint report concluding that some 600 million city dwellers worldwide were endangered by acid rain, while another 1 billion people were exposed to high pollution levels "that result from coal, wood, oil combustion and automobile traffic dust." The report, *Global Pollution and Health*, was "well-documented" and "just the tip of the iceberg," according to the agencies that produced it.

Finally, on July 23 a spokesman for a coalition of US industrial, political and environmental interests said in Washington that "An acid rain program needs both a carrot

and a stick to work effectively." Tony Earl said the carrot would be US government support for demonstrating clean coal technologies, but the "stick must be enforceable emission-reduction deadlines" to motivate the development of those technologies. The July 24 *Globe and Mail* report said that current legislative proposals in the US congress did not tie spending on clean coal to specific emission reductions. The tie-in would reflect a more flexible approach that could break the deadlock in the congress over methods to reduce acid rain-causing emissions.

China

Grain Purchases

The Chinese minister of commerce, during a visit to Winnipeg, said that Canada's wheat trade with China had a good future provided Canada continued to offer high quality wheat at competitive prices. Mr. Liu Yi and five other delegates from China visited the Canadian Wheat Board, as well as railway and trucking firms, feed companies, meat-packing houses and manufacturers of oilseed crushing equipment. In 1986 China bought 2.6 million tonnes of wheat from Canada, a decline from its peak purchase of 3.5 million tonnes in 1983, the June 2 *Western Producer* report said. China had failed to renew a long-term wheat-buying agreement with Canada in 1985, but a move in China to improve livestock production was resulting in an increase in barley shipments. Mr. Liu said that barring a natural disaster China's 1987 grain production would match its 1984 record harvest.

The *Globe and Mail* reported on June 19 that an expected shortfall in China's grain harvest target for 1987 would force that country to increase its imports. One Western diplomat, the report said, estimated the necessary imports at 10.85 million tonnes, up from 9.75 tonnes in 1986.

Firefighting Aid

On June 3 a Canadian Forces Hercules landed in Beijing with a load of firefighting equipment for northeastern China, which was suffering its worst forest fire since 1949. The equipment was transferred to smaller People's Liberation Army planes, since the runways in the destination city of Jiagedaqi were not strong enough to bear the Hercules. Many of the soldiers who had battled the fire, which was reported to be out after destroying 600,00 hectares, had had no equipment at all, and needed the pumps, shovels, axes and pump-repair kits from Canada in order to put out small fires as they examined the burned-over area. A request for fire-bombers made to Canada on May 23 had been denied, as Canadian ambassador Richard Gorham decided that they could not reach the area in time. The Canadian embassy, in addition to arranging for the June 3 shipment of equipment, had donated \$50,000 of its foreign-aid budget for relief supplies, and another \$50,000 was given by CIDA to the UN for disaster relief in the area.

The northeastern city of Jiagedaqi was the headquarters of a \$5.7 million foreign aid project, financed by Canada, to train Chinese foresters to do a better job of fighting fires. China lost an average of one million hectares to forest fires each year, the June 4 *Globe and Mail* report said.

France

Fishing Dispute

On June 2 the *Ottawa Citizen* reported that talks between France and Canada would resume later in June on the fishery and maritime boundary dispute around St. Pierre-Miquelon. External Affairs Minister Joe Clark told the Commons on June 1 that the French were not insisting that Canadian ports be reopened to French fishing vessels before they resumed talks with Canada, despite what French president François Mitterrand had said the previous week in St. Pierre-Miquelon (See "International Canada" for April and May 1987). Mr. Clark also said that Canada had no intention of reopening the ports in the near future. Canadian government officials said that the French government had issued a clarification of Mr. Mitterrand's remarks, saying that negotiations would continue, the *Ottawa Citizen* report said.

On June 20 a French foreign ministry official explained that France was cancelling the June 24-25 negotiating session because of the Canadian government's attitude in unilaterally closing Canadian ports to French trawlers. The same day, Transport Minister John Crosbie said that the French protest might delay negotiations but it would not change Canada's position in the dispute. "We have no intention of changing our approach to the negotiations," the Minister said (*Ottawa Citizen*, June 22).

On July 2 Mr. Crosbie and Fisheries and Oceans Minister Tom Siddon released the Canada/France scientific assessment of the disputed 3PS zone cod stock. The assessment was carried out in Dartmouth, Nova Scotia, from May 28-30, in accordance with the January 24 agreement (See "International Canada" for December 1986 and January 1987). The assessment confirmed that there had been serious overfishing, but indicated that the stock was in no immediate danger. "The scientific assessment indicates that the recent escalation in French catches has pushed the total catch to unacceptably high levels," Mr. Siddon said. "Fortunately, there was an unusual increase in survival of young fish during the years before the significant French overfishing began. Since 1980, the number of young fish in this stock — which largely depends on environmental factors — has been high. Nature and Canada's conservation-oriented management methods have provided a temporary cushion that has prevented the overfishing from running down the stock size, so far. The stock has, in fact, been increasing, but at a lower rate than if the overfishing were not taking place." Mr. Siddon added that there was no indication that the survival of young fish would remain favorable in upcoming years. "French overfishing remains a serious threat to the long-term health of the stock," Mr. Crosbie said (Government of Canada communiqué, July 2).

Oil Drilling Permits

On June 9 the Canadian government filed a diplomatic protest against France's decision to issue drilling permits for an area on the Grand Banks off the Newfoundland coast. The two governments had disputed sovereignty in the area

earlier in 1987. Deputy Prime Minister Don Mazankowski told the Commons, "We have been advised that the French government has granted joint exploration permits to two French companies to explore for oil off the coast of St. Pierre-Miquelon. Instructions have been issued to the Canadian ambassador to protest the granting of these permits." Opposition leader John Turner called the diplomatic note a "mealy-mouthed, weak-kneed protest," and said that Prime Minister Brian Mulroney should raise the issue with French president François Mitterrand at the Group of Seven summit in Venice the same week. Mr. Mazankowski replied, "My understanding is that the Prime Minister did meet with Prime Minister [Jacques] Chirac earlier this day. I have not had a report on the outcome of that meeting but I am also sure that this matter would have been raised." Mr. Mazankowski promised to report to the Commons on the outcome of the meeting. The contents of the note were not made public. France claimed a 200-mile limit around St. Pierre-Miquelon, while Canada claimed France had rights only to a 12-mile territorial limit around the islands (*Globe and Mail*, June 10).

An official in the Department of Energy, Mines and Resources said on June 9 that three Canadian companies — Gulf Canada, Mobil Oil Canada and Texaco Canada — had already been granted permits to drill in the area, but had agreed not to until the boundary dispute with France was resolved. Otherwise, he said, any oil or natural gas found under a Canadian permit could be forfeited if the disputed territory were awarded to France.

Outside the Commons on June 9, Transport Minister John Crosbie said, "My guess is that they [the French] have been quite offended or hurt by our barring French vessels from Canadian ports. This is a way they've decided upon to strike a counter-blow themselves." The Minister maintained that the only way to settle the boundary dispute was through arbitration under international law (*Globe and Mail*, June 10).

Prime Minister Brian Mulroney said in Venice on June 10 after meeting with French prime minister Jacques Chirac that the French granting of drilling permits was "not the kind of action designed to be particularly helpful." The Prime Minister had expressed to Mr. Chirac Canada's objections to the granting of the permits (*Ottawa Citizen*, June 11).

On June 11 Energy Minister Marcel Masse said that Mr. Chirac had assured Mr. Mulroney in Venice that there would be no drilling for oil or gas in the disputed waters. Mr. Masse pointed out that the French had issued similar permits in 1966 and that Canada had issued permits the following year. Since 1967, he said, the two countries had agreed to a moratorium on drilling in the disputed waters "and the French government has provided us with assurances that no drilling will take place in the disputed area while the jurisdiction issue remains unresolved" (*Ottawa Citizen*, June 12).

Champagne Name Allowed

Another dispute that had been outstanding since 1975 was resolved during this 2-month period. Mr. Justice W.R. DuPont of the Ontario Supreme Court ruled on July 2 that

French champagne houses had no right to stop Canadian wineries from calling some of their sparkling wines "Canadian champagnes." "Canadian champagne is a distinct Canadian product not likely to be confused or even compared with French champagne," Judge DuPont said in his decision. "The evidence indicates quite clearly that the high regard and reputation of French champagne has not been affected by Ontario sales of Canadian champagne, and remains well established in this province." The judge concluded that even neophyte champagne drinkers would realize the difference between the Canadian and French versions. He noted that one way to tell was "the vast price differential between the two products." Canadian champagne had 1 percent of Ontario's total wine market and French champagne 0.33 percent. During the 1-month trial, lawyers for the French wineries and a French regulating board had contended that only products made in the Champagne region of France could use the word, which they claimed was an "appellation of origin." But Judge DuPont rejected submissions that the Ontario wineries were deceiving the public (*Globe and Mail*, July 3).

Japan

Softwood Exports

On June 9 the Canadian ambassador to Japan, Barry Steers, presented to Japan's minister of construction a technical report on the safety and performance aspects of 3-storey wood platform frame multi-family housing. The report, which resulted from International Trade Minister Pat Carney's November 1986 visit to Japan (See "International Canada" for October and November 1986), was intended to assist the Japanese government in considering the inclusion of such dwellings in Japan's building code revisions. A technical presentation of the report was held in Tokyo on June 11 for Japanese housing officials and urban planners. The report and other subjects related to a wide range of housing issues would be examined at the Canada-Japan Housing Committee in Ottawa in October. Canadian softwood producers were anxious to have Canadian spruce, pine and fir accepted by Japanese housing authorities in order to have a Japanese tariff on the softwoods removed (See "International Canada" for April and May 1987) (International Trade communiqué June 17).

Automobile Trade

On June 15 and 16 Canadian and Japanese officials met in Vancouver for a briefing session on prevailing market conditions. The Canadian negotiators were waiting for their directives, expected later in June, before trying to negotiate a renewal of import restraints. The old agreement had expired on March 31 (See "International Canada" for February and March 1987). The Japanese negotiators were more concerned about policy changes that could affect their Canadian investment and trade strategies than with the state of the market. They also wondered about the effect of a free trade deal between Canada and the US, a June 17 *Globe and Mail* report said.

The House of Commons Committee on External Affairs and International Trade tabled its report on June 23 (See *Bilateral Relations — USA*, above). It urged the Canadian government "to exert maximum political and diplomatic pressure on offshore [automobile] manufacturers" (*Globe and Mail*, June 24). While arguing that Canada should accept the principle that companies benefitting from sales in the Canadian market should also create Canadian jobs, the committee refused to go along with the demands of the domestic auto industry to have all offshore manufacturers produce cars in Canada worth 75 percent of their total Canadian car sales, the *Globe and Mail* report said. To demand production and Canadian content requirements in return for the right to sell automobiles in Canada could run afoul of the international trade rules set out in the GATT, the committee said.

Industry Minister Michel Côté told the committee that Canadian content legislation could actually drive automobile investment out of Canada to the US and thus raise car prices for Canadian consumers.

The Canadian Association of Japanese Automobile Dealers presented to the committee a study by Coopers and Lybrand Consulting Group which estimated that, in 1985, the "voluntary restraints" on imports of Japanese cars cost consumers \$570 million in higher car prices but created only 3,180 new jobs, for a cost per job of \$179,000. The committee's report agreed that requiring high levels of Canadian content might lead to higher costs for consumers, "but we are forced to ask, nonetheless, what would be the cost in terms of production, employment, and especially Canada's ability as an industrialized nation, if we allowed unfettered access to our market in such a critical manufacturing sector. . . . While the majority of the committee does not, for the moment, advocate the introduction of explicit content legislation. . . . we nevertheless unanimously call upon the government of Canada to exert maximum political and diplomatic pressure on offshore manufacturers," the committee's report said.

The committee also recommended that in addition to diplomatic pressure, the government should continue to use the voluntary restraints and should monitor each company's performance in terms of Canadian content and the ratio of Canadian production to sales in Canada. It also asked the government to seek trilateral talks with the US and Japan in an effort to make sure that Japanese companies set up their North American factories in a way that would let them operate under the auto pact. Finally, the committee called for an automobile task force, with representatives of offshore car makers and their dealers as well as representatives from North American vehicle and parts manufacturers and the Canadian Auto Workers union (*Globe and Mail*, June 24).

South Africa

Sanctions

External Affairs Minister Joe Clark told the Commons on June 1 that the Canadian government had been asked by South African president P.W. Botha to sever ties with the African National Congress (ANC). The Minister said the

request had been contained in a letter from Mr. Botha to Prime Minister Brian Mulroney and the leaders of the six other Group of Seven nations who were meeting in Venice the following week. The letter said that "reform is impossible if Western governments lend a ready ear to the perpetrators of violence. . . . Efforts to break the cycle of violence and promote dialogue" would be welcomed, Mr. Botha wrote, adding that "it would be constructive if a clear message could be sent from Venice to the perpetrators of violence to the effect that their reprehensive [sic] deeds will not be countenanced by the civilized world" (*Toronto Star*, June 3).

The *Toronto Star* also reported on June 3 that Mr. Botha had, in a Cape Town news conference, accused Mr. Clark of "pure bad manners" in discussing the letter in public without having sent an official response to the South African government. Mr. Botha said that at no time had his government asked Canada to cut its ties to the ANC. "It's not for the South African government to tell a foreign government whom to meet or whom not to meet, just as it is not for foreign governments to prescribe to us whom we should meet or not," he said.

The *Globe and Mail* reported on June 4 that *The Citizen* newspaper of Johannesburg had run an editorial on June 3 accusing Canada of furthering its "hate South Africa campaign," saying that Mr. Clark had distorted the contents of Mr. Botha's letter. The editorial added that Canada could not look after its Indians properly, "yet it takes an inordinate interest in trying to force South Africa to abandon apartheid and hand over the country to black majority rule."

On June 16 Prime Minister Brian Mulroney told the Commons that Canada had not abandoned its 2-year-old promise to sever diplomatic relations with South Africa if apartheid remained in place. The Prime Minister told Howard McCurdy (NDP — Windsor-Walkerville), "I've indicated that we did not exclude that course of action at all, but at an appropriate time. . . . We have maintained, and continue to maintain, a dialogue in the hope that Canada and its partners" could bring more pressure on South Africa to dismantle apartheid. Mr. Mulroney referred to the two upcoming summits to be held in Canada — the franco-phone nations in September and the Commonwealth nations in October — as opportunities to marshal world opinion against apartheid.

The *Ottawa Citizen* reported on June 17 that Canadian ANC spokesman Keith Philander of Regina had said the previous day that ANC leader Oliver Tambo would, during his planned visit to Canada later in 1987, demand from Mr. Mulroney a pledge to sever diplomatic relations with South Africa.

In the Commons Mr. McCurdy called on the Prime Minister to sever all ties — economic and diplomatic — with South Africa before the end of the parliamentary session. The statements in the Commons were made as hundreds of thousands of black South Africans stayed away from work to mark the anniversary of the 1976 Soweto riots, in which hundreds of people were killed (*Ottawa Citizen*, June 17).

Later in June, the *Toronto Star* reported that Archbishop Ted Scott, a former primate of the Anglican Church of

Canada, who was appointed by the Prime Minister to serve on a Commonwealth probe of South Africa, had called for stepped-up action against the Pretoria regime. "I think we've come to the stage now where Canada has to be prepared to take some individual action. If you're going to give leadership, you don't do it just by talking," Archbishop Scott said. The report also quoted Bernard Wood, Director of Ottawa's North-South Institute, as saying, "Our creativity and credibility with Pretoria should not be thrown away lightly. There are some more delicate calculations to be made . . . I don't see a big premium in upping the ante at the Commonwealth table." Sheila Copps (Lib — Hamilton East) was quoted in the same report as saying that Canada, rather than leading, was lagging behind other countries. Ms Copps pointed to the unanimous recommendation for complete economic sanctions by the Commons Human Rights Committee in July 1986, a recommendation that the government had ignored.

The *Ottawa Citizen* reported on June 26 that External Affairs Minister Joe Clark tabled on June 25 a report prepared by retired senior External Affairs officer John Small, which stated that pulling Canadian businesses out of South Africa was counterproductive to black South African employees. After tabling the report, Mr. Clark said, "I think it's fair to say that a lot of things that people had endorsed with enthusiasm — particularly when they were asking me to engage in a total interruption of all relations [with South Africa] — that probably a lot of those people have changed their views after a year." For the moment, he said, Canada's position would remain the same — no new investment in South Africa, with Canadian firms making their own decisions on whether to stay there or not.

The *Financial Post* reported on July 13 that three Toronto-based tour packagers had formed a loose association known as the South African Travel Association to replace the South African Tourism Board, which was forced by the Canadian government to cease Canadian operations in 1986. The group, the report said, was advertising South African tours in several Toronto and Vancouver newspapers. Michael Friisdahl, one of the tour packagers, said that the first week of ads had generated several hundred requests for more information, but no complaints. "I was very surprised," he said. "The last time we did that sort of thing I got a letter from Joe Clark."

Canadian Academic Deported

The *Globe and Mail* reported on June 29 that Canadian sociology lecturer Kirk Helliker's work permit was not going to be renewed by the South African government. The vice-chancellor of Rhodes University, where Mr. Helliker taught, expressed deep disquiet at the refusal, the report said. Derek Henderson said the university abhorred that the professorial career of an academic colleague should have been disrupted by such "drastic administrative action." Mr. Henderson said that the reason for Mr. Helliker's effective expulsion could have been his research on black boycotts of white shops in protest against the laws of apartheid, the report said, but the South African government gave no reasons for any decisions regarding work permits. Mr. Helliker had been asked to leave the country by June 30.

In a July 2 report the *Globe and Mail* said that Mr. Helliker had flown to Harare, Zimbabwe, on June 30. Mr. Helliker said, "It's been quite a traumatic experience. It's a sad moment for me, given the fact that I do have a lot of friends and that my main sociological involvement is South Africa." He said he believed he was being forced out because of his involvement in political reform organizations working outside parliament and because of his research into trade unions and civic groups. He added that he belonged to the Grahamstown Committee of Democrats, an affiliate of the United Democratic Front (UDF), the largest anti-apartheid coalition in South Africa. The South African government had claimed that the UDF had links with the ANC, the report said.

Visa Denied CLC Leader

Shirley Carr, president of the Canadian Labor Congress (CLC), cancelled a planned trip to South Africa in July because the South African government denied her request for a visa. "It's been denied, and that's official as far as I'm concerned," Mrs. Carr said on July 10. She also said that she understood that former ambassador Glenn Babb was responsible for her visa's being denied. Mrs. Carr sent a message to the black union congress which had invited her to address a major rally: "As you know, this marks the second occasion in recent years that the South African government has prevented the CLC from meeting the genuine representatives of the trade union movement inside South Africa." (In 1985 two CLC representatives were denied visas to visit imprisoned South African labor leaders.) Her message also said that Canadian workers supported South African trade unionists in their struggle against apartheid, and joined them in calling for the release of imprisoned ANC leader Nelson Mandela. Mrs. Carr said she had also written to External Affairs Minister Joe Clark and Prime Minister Brian Mulroney to protest the South African government's decision (*Toronto Star*, July 11).

USSR

Arctic Cooperation

The *Globe and Mail* reported on June 11 that a panel of experts on Soviet-Canada relations had been told by a Moscow northern studies specialist that reindeer breeding by native peoples could bring about a revolution in Canada's north. "Our Soviet northern natives have a level of life based on real, earned income from reindeer herding," said Arkady Cherkasov of the Institute of the United States and Canada. He said most Canadian native peoples were dependent on government handouts. Reindeer herds could be imported into Canada, Mr. Cherkasov said, and conditions in Canada were right for reindeer breeding. "It's most important to develop it from the moral point of view . . . The native peoples would earn money instead of being given it by the state. People who are living on the dole, after all, are living on the dole," he said. The *Globe and Mail* report also

said that the six Soviet officials on the panel spoke of growing cooperation between the two countries on northern affairs, but some said it still was insufficient. One Soviet panel member said that "the two economies have become mixable . . . [Soviet economic reforms] now are allowing us to introduce [economic] stimuli."

Later in June, the *Globe and Mail* reported that the Canadian government had approved a joint Soviet-Canadian ski journey across the Arctic Ocean. Expedition leader Dmitri Shparo of Moscow said the effort would enhance relations between the two countries. Seven Soviets and four Canadians would travel 1,800 kilometres from the Severnaya Zemlya Islands to Cape Columbia on Ellesmere Island to collect scientific data, the report said.

Bilateral Agricultural Talks

On June 16 a meeting of the Canada-USSR Mixed Agricultural Commission concluded in Ottawa with agreement to continue to foster the spirit of scientific and technical cooperation between the two nations, an Agriculture Canada communiqué said. Agriculture Minister John Wise met with his Soviet counterpart, and he said, "We have agreed that economic and trade relations between our countries are best fostered through direct contacts between the provinces and the Soviet republics and between interested Canadian firms and Soviet organizations." The establishment of direct contact between Alberta Agriculture and

one of the Soviet republics was praised at the meeting as a positive development in Canada-USSR agricultural cooperation. Saskatchewan, Ontario and Quebec had also expressed interest in direct cooperation with some of the Soviet republics, the communiqué said.

The Mixed Commission would next meet in 1989 in the USSR.

Glasnost and Soviet-Canadian Relations

In a speech to the Slovak World Congress in Toronto on July 4, Prime Minister Brian Mulroney said that Canada should take advantage of the Soviet policy of glasnost to engage the USSR in "the constructive management of important international problems . . . Canada shall be ready to respond to genuine initiatives designed to enhance mutual security, strengthen economic growth and reduce the threats that give rise to the possibilities of war," the Prime Minister said. He added that Canada invited "the Soviet Union to release more dissidents, to renew family reunification and to relax their iron grip on their client states in Eastern and Central Europe. These would be sincere gestures of openness and change which would invite a constructive response from the West" (*Ottawa Citizen*, July 6).

Multilateral Relations

ASEAN

Singapore Conference

External Affairs Minister Joe Clark attended the ASEAN Post Ministerial Conference in Singapore from June 18-20. The annual conference, which followed ASEAN's ministerial conference, was attended by the foreign ministers of ASEAN member countries and their "dialogue partners" from Canada, Australia, the EC, Japan, New Zealand and the US. On the agenda were trade, industrial and development cooperation, and items from the agendas of the Venice Group of Seven summit and the NATO ministerial meeting (External Affairs communiqué, June 15).

Prior to the meeting Mr. Clark told the Canadian Business Association of Singapore on June 17 that "If Canadian business wants to succeed in southeast Asia it will have to send investors as well as salesmen . . . I want to emphasize that our theme is two-way trade and investment." Mr. Clark also denounced protectionist forces throughout the world and praised US President Ronald Reagan for his consistent stand against protectionist measures in the US

congress. "President Reagan has his critics in the world, but one undeniable reality about his administration is that he is trying to make Americans look outward rather than inward," he said (*Ottawa Citizen*, June 18 and External Affairs communiqué, June 19).

On June 18 Mr. Clark announced a \$10 million development assistance program which effectively tripled Canada's bilateral assistance to the developing nations of the South Pacific. The program would be implemented by the International Centre for Ocean Development in close cooperation with the major South Pacific regional organizations. Mr. Clark told the ASEAN conference, "We recognize the important role regional cooperation has played in promoting stability and economic growth in the South Pacific. Accordingly, Canada will expand cooperation with the countries of the South Pacific in fisheries development and ocean resources management . . . The essential objective of this initiative is to strengthen the independent capabilities of all nations in the South Pacific to develop, manage and exploit their ocean resources in a manner

which will maximize economic benefits now and in the future" (External Affairs communiqués, June 18 and 22).

Mr. Clark told the conference on June 25 that Canada's development cooperation program with ASEAN would be enlarged and given new focus and direction. "The new program of the Canadian International Development Agency (CIDA) in the ASEAN countries will emphasize human resource development, taking advantage of Canadian institutions — both public and private — to provide needed training The essence of this new approach is to provide new human resource development and scholarship funds to finance a number of high-priority ASEAN requests for study and training In addition . . . the Canadian government will establish a Canada-ASEAN center in the region which will provide a stronger Canadian presence and a greater focus for CIDA's regional programs." The center was part of an initiative to decentralize CIDA operations (See "International Canada for April and May 1987) and would work closely with Canada's diplomatic representatives in the region, would provide coordination in the field, particularly for CIDA's ASEAN human resource development programs and counselling on Canadian educational services (External Affairs communiqués, June 24 and 25).

GATT

View of Free Trade Talks

The *Financial Times* of London reported on June 17 that the international community was watching with interest the bilateral free trade negotiations between Canada and the US (See Bilateral Relations — US, above). The talks were the first to cover new areas like services, investment and intellectual property rights (which were to be incorporated into the GATT) since the Uruguay Round began, and the international community was looking to them not only for specific indications of how these issues might be handled by the GATT, but also to assess how strong the US commitment to free trade was in practice, the *Financial Times* said. Within the GATT there was a suspicion of bilateral trade agreements, it added — the hallmark of GATT's philosophy was the multilateral approach — and the GATT was preparing to play down the importance of the negotiations, even though, at US\$125 billion, the bilateral trade last year between Canada and the US was the largest between two countries anywhere. Nevertheless, the GATT viewed talks as important in their reflection of US trade philosophy. And the report quoted Edward Carmichael of the Toronto-based C.D. Howe Institute as saying, "If the US can't make a broad agreement with Canada, then how is the world going to be able to make any progress in the GATT?"

NATO

Reykjavik Meeting

On June 11 and 12 External Affairs Minister Joe Clark led the Canadian delegation to the spring meeting of the North Atlantic Council of NATO in Reykjavik, Iceland. The June 10 External Affairs communiqué said that the meeting

was expected to focus particularly on recent developments concerning proposed reductions in Intermediate-Range Nuclear Forces, and conventional arms control. The meeting also marked the fortieth anniversary of the Marshall Plan.

The *New York Times* reported on June 12 that the Council members had formally endorsed that day a proposal to ban American and Soviet short-range missiles in Europe. The foreign ministers' statement called on the USSR to eliminate its medium-range missiles in Asia as well as in Europe, though officials said that this would not be a requirement for a new treaty, the report said. The NATO members also stressed the "prime importance" of making deep cuts in strategic long-range weapons as well as reductions in conventional forces.

NDP Policy

The *Ottawa Citizen* reported on July 27 that NDP leader Ed Broadbent had said on CTV's current affairs program *Question Period* that Canada's defence budget would be better spent defending Canada than in Europe, and that Canadians would accept a withdrawal from the NATO and NORAD alliances if a revamped defence policy were designed to better protect Canadian sovereignty. Mr. Broadbent said that "A number of European countries, on a per capita basis, are richer than we are. They are financially and militarily able to put their defences on the ground. We, in contrast, have neglected the protection of our own territorial integrity — the question of Canadian sovereignty on the east coast, the west coast, Arctic." Many social democrats in Europe understood the NDP's "update of our defence policy," he added, and Canada would continue to have excellent bilateral relations with the US and European countries.

Mandate for New East-West Negotiations

External Affairs Minister Joe Clark announced on July 28 that the sixteen NATO participants in informal consultations in Vienna with members of the Warsaw Pact had circulated that day a detailed proposal for a mandate or terms of reference for a new negotiation on conventional stability in Europe (External Affairs communiqué, July 28). The NATO members proposed that the objectives of the negotiation be to strengthen stability and security in Europe through the reduction of conventional forces, the elimination of disparities prejudicial to security and stability, and the elimination — as a matter of high priority — of the capability for launching surprise attack and for initiating large-scale offensive action.

The Minister noted that Canada had taken an active role in the development of the mandate and would be fully involved in the negotiations, which could have a major effect on lowering tensions between East and West and pave the way for further progress in nuclear arms negotiations, although nuclear and chemical weapons, as well as naval forces, would be excluded from the negotiations. Michael Shenstone, Canada's ambassador in Vienna, stressed that timely exchanges of appropriately detailed information on forces and equipment subjected to an arms

control agreement were essential to the operation of an effective verification regime. He noted also that on-site inspections were a necessary part of an effective verification regime, the communiqué said.

Group of Seven

Venice Summit

On June 7 Prime Minister Brian Mulroney, External Affairs Minister Joe Clark and Finance Minister Michael Wilson arrived in Venice to take part in the annual economic summit of leaders from the Group of Seven nations (Canada, the US, Britain, France, West Germany, Italy, Japan). One of the first topics to be discussed was the need to reduce agricultural subsidies, as Canada and the US urged that GATT agricultural talks, scheduled to begin in Geneva in July, be given new impetus. At the end of the summit's first day of meetings, the groundwork for a statement that could speed up discussions on agricultural reform was laid down, according to a Canadian spokesman. Finance ministers agreed that the summit countries should reaffirm an agreement by the general OECD membership calling for a reduction in agricultural subsidies. Meanwhile, Canada, the US and Britain were pressuring other summit leaders to call for a review of GATT negotiations by the fall of 1988 and the possible implementation of

interim reform measures by early 1989 (*Winnipeg Free Press*, June 9).

The first communiqué issued by the summit after its first official bargaining session on June 9 was a disappointment for Mr. Mulroney and Mr. Clark, who had asked that it contain a statement condemning the apartheid policies of South Africa. The *Ottawa Citizen* reported on June 10 that only the US, France and Japan had supported the Canadian request, and West German Chancellor Helmut Kohl had objected to any mention of South Africa in the communiqué. However, at the close of the summit on June 10, Mr. Mulroney told a news conference that he had succeeded in wringing a demand from Italian prime minister Amintore Fanfani, on behalf of the other leaders, that "apartheid be dismantled," despite the absence of such a statement in the official communiqué. "This is a signal to Africans listening to radios somewhere not to abandon democratic values for violence," Mr. Mulroney said, adding that the Canadian delegation's "persistence paid off" (*Toronto Star*, June 11).

The final communiqué included statements expressing concern at high unemployment, trade restrictions and protectionism, reduced growth prospects for developing countries, stratospheric ozone depletion, acid rain and other forms of pollution, and safety in the management of nuclear energy (*New York Times*, June 11).

The next Group of Seven economic summit was scheduled for 1988 in Canada.

Policy

Citizenship

Citizenships Revoked

The *Globe and Mail* reported on June 27 that the Canadian government had begun proceedings against seven naturalized Canadians to revoke their citizenship, as they had made fraudulent claims when they took their citizenship. Secretary of State David Crombie said that he had asked for a report nearly one year previously on all naturalized Canadians who had been convicted of fraudulent claims, and had then asked that proceedings begin against the seven, who were not named.

Mr. Crombie said on June 26, on releasing a discussion paper which suggested a complete overhaul of the Citizenship Act, that rules governing Canadian citizenship had been too lenient. "What we're talking about is Canadian citizenship. We have been blasé about our citizenship, taken it for granted." Among the changes considered in the paper were:

— Revoking the Canadian citizenship of those who applied for citizenship in another country (Dual citizenship was held by thousands of Canadians living abroad).

— Requiring that immigrants who wanted Canadian citizenship renounce their "prior status." (Applicants could currently retain citizenship of their native lands and still get Canadian citizenship).

— Changing the residency requirement for citizenship, perhaps lengthening it from three years, and banning applicants from claiming residency credit for time spent in Canada as illegal immigrants.

— Barring people who had been convicted of major crimes in other countries from becoming Canadian citizens.

— Waiving the French or English proficiency requirement for people over the age of sixty who wished to become citizens (*Toronto Star*, June 27).

The *Ottawa Citizen* reported on June 30 that some immigrant services groups welcomed the proposal to end dual citizenship. Rajinder Paul Sehgal, president of the Indo-Canadian Forum, said that the proposal would force people to make a conscious choice about their lives. "A sense of Canadianism hasn't evolved yet," he said. Mira

Gawalewicz, past president of the Canadian Polish Congress, agreed, saying, "In my opinion, you can't be loyal to more than one country." Enrico del Castello, executive director of the National Congress of Italian Canadians, however, did not agree. "The origins of people should not be formally denied," he said. "It's a step in the wrong direction" (*Ottawa Citizen*, July 4).

Immigration

New Refugee Legislation

The government continued to receive criticism during this 2-month period for Bill C-55, introduced in May, aimed at establishing a new refugee determination process (See "International Canada" for April and May, 1987). In the Commons on June 11 Dan Heap (NDP — Spadina) charged that the proposed new system would not produce consistent decisions because there would be no process to review decisions made by an independent refugee board that the legislation would create. Junior immigration minister Gerry Weiner replied that his department had opted for a "good quality hearing" instead of a review process. In response to a charge that potential refugees who were returned from Canada to "safe third countries" would be endangered, Mr. Weiner said that Canada would have "arrangements" with third countries to ensure people's safety. Mr. Heap asked whether the arrangements would be "public, iron-clad agreements," to which Mr. Weiner replied, "We never said we would have iron-clad agreements. But under the arrangements we have with those countries, their records on human rights must be as good as ours before we return someone, or we would be violating our international treaty obligations."

On June 16 the *Montreal Gazette* reported that Mr. Weiner had reacted to criticism from refugee support groups and immigration lawyers by saying that the groups "represent a minority of the Canadian population," pointing to a *Toronto Star* survey which had indicated that 83 percent of Canadians supported Bill C-55. Mr. Weiner also said that if the US could not guarantee that a Central American refugee claimant "will be allowed to remain there until his hearing is held in Canada, then we're not going to send him back [to the US]." The Minister also promised that "if there's even a thread of a chance" that a person is a legitimate refugee, he would go on to the second review level, an oral hearing by two board members "who would then make a full determination," the *Gazette* reported.

Only ten members of the PC caucus turned up on June 16 for a meeting with a delegation of church representatives, including Anne Squire, moderator of the United Church of Canada, Archbishop Gilles Ouellet of the Conference of Catholic Bishops, George Cram of the Anglican Church's World Relief and Development Fund, Michael Schelew of Amnesty International, and Lorne Waldman of the Coalition for a Just Refugee Policy. The group expressed disappointment in the turnout for their presentation of an alternative to Bill C-55, and added that "we got the impression that they have already made up their minds." Mr. Waldman, a Toronto lawyer, said, "It seems a lot of the

Tories don't really understand what the bill is about. They think it cracks down on abusers without preventing real refugees finding a haven in Canada. If the legislation goes through as is, a lot of legitimate refugees will be turned away at the border" (*Globe and Mail*, June 17).

The *Ottawa Citizen* reported on June 26 that the second reading of Bill C-55 would be delayed until the Commons returned following the summer recess. The report also said that some MPs were suggesting that the bill would be allowed to die and that the government would prepare a new bill or a greatly modified version.

Arrival of Asian Migrants

In the early morning hours of July 10 174 people arrived near Yarmouth on the south shore of Nova Scotia, walked several kilometers to a country highway, and began to shout "Refugees" to passing drivers. The RCMP were called and, after eating food brought to them by local residents, the migrants, who appeared to be Sikhs, were taken by bus to Halifax. They had arrived in the midst of a thick coastal fog following reports of a strange boat off the coast (*Globe and Mail*, July 11).

On July 12 Immigration Minister Benoit Bouchard said that under the existing legislation the migrants could not be deported, even if they were not genuine refugees. He said it was too early to determine whether they were refugees, and that the incident emphasized the need for the government's proposed refugee-determination legislation, Bill C-55. Dan Heap (NDP — Spadina) said that the government should not deny refugee status to the migrants just because they might have used false documents or travelled through another country to get to Canada. "If he is a real refugee, the fact that there was some trickery used to get out of the other country and into Canada is not to be held against him," Mr. Heap said (*Globe and Mail*, July 13).

While the migrants spent their first night in Canada at CFB Stadacona in a military gymnasium, two men were arrested at Halifax International Airport on July 12 in connection with their arrival in Canada. At the same time, a freighter suspected of having carried the migrants was arrested off the Nova Scotia coast. The *Amelie* was boarded by Coast Guard and RCMP and taken to Halifax (*Ottawa Citizen*, July 13).

On July 14 the two arrested men, Rolf Nygren, a Swede living in Spain, and Jasvir Singh of England, were fined \$5,000 each and sentenced to one year and three months in jail respectively. Both men had pleaded guilty to helping the Indian migrants enter Canada illegally (*Globe and Mail*, July 15). A third man, who had acted as skipper of the *Amelie*, was convicted of aiding and abetting an illegal entry into Canada. Castor Lasalle of Spain was fined \$2,500 and sentenced to thirty days in jail. Charges against two other Spanish crew members were dropped (*Globe and Mail*, July 16).

On July 17 Immigration Minister Benoit Bouchard said that his department had received an overwhelmingly negative response to the arrival of the Indian migrants. "Ninety-nine percent have said, 'Send them back,'" he said. But he added that there were "two pictures of the story, two images . . . the minister has to deal with." They were both from Nova Scotia, "one was the guy with the sign reading 'Go home,

trash,' and the other was the lady giving a piece of bread to a refugee." Meanwhile, a spokesman for the Canadian Ethnocultural Council, Andrew Cardozo, said that MP Alex Kindy (PC — Calgary East) was trying to stir up a racist backlash when he said that civil servants were making money out of immigrants and the federal government was guilty of a cover-up relating to the migrants. Mr. Cardozo was also critical of MP Reg Stackhouse (PC — Scarborough West), who said on July 15 that the migrants, who were still being held at CFB Stadacona, should not be allowed to live in "normal Canadian communities" while awaiting a decision on their claims for refugee status. "Mr. Stackhouse, an Anglican minister and the chairman of the [Commons] human rights committee, seems to be riding off to join the dinosaur wing of the Conservative party," Mr. Cardozo said (*Globe and Mail*, July 17).

During the week of July 13 Sher Singh, a Toronto lawyer and a Sikh, was approached by the Department of Immigration to act as an independent, unpaid adviser to the department on the status of the migrants. Mr. Singh said he spoke to them over two days and concluded that their flight from India was justified, that they were not part of any organized terrorist conspiracy, and that they were in fact fleeing arbitrary arrests, killings and terror in India. The young men reported being rounded up in Punjab border towns by police, and described disappearances and deaths of others rounded up with them, Mr. Singh said. He added that he had been surprised that the migrants seemed so happy and grateful to the people who were virtually their jailers at Stadacona, and "that was my starting point where I could understand where the hell they were coming from." Mr. Singh also said that the dearth of refugees accepted from among the Indian Sikhs who had applied for refugee status showed that the government had not given proper weight to information about the persecution of Sikhs in India, especially since the raid on the Golden Temple in Amritsar in June 1984. Canada had friendly relations with India, so "they don't want to call them refugees because India would be upset if you called them refugees" (*Globe and Mail*, July 21).

Following initial hearings, on July 24 the *Globe and Mail* reported that seven of the migrants would be held for security reasons, two were being held for medical reasons, one had been released on a sponsorship, and the rest would be released as soon as their sponsorships could be arranged. On July 29 ninety-two migrants boarded buses for Toronto, and the others a flight for Vancouver, the *Ottawa Citizen* reported.

The *Globe and Mail* reported on July 29 that the Coalition for a Just Refugee Policy, representing 200 ethnic, church and labor groups, had called upon the UN to investigate the Canadian government's handling of the Asian migrants. The group accused the government of breaching human rights, conducting a misinformation campaign and using the migrants' plight to promote its proposed new legislation, Bill C-55. "The refugees are being used to foster racist hysteria in this country," said a spokesman for the group. "We are left with no choice but to ask a higher body to look into this matter."

Finally, at the request of Prime Minister Brian Mulroney, Speaker John Fraser agreed to recall the House of

Commons in August in order to debate Bill C-55, the *Ottawa Citizen* reported on August 1. The Prime Minister said he sought the recall because the legislation was needed to protect Canada's immigration system, the report said.

Defence

White Paper Tabled

On June 5 Defence Minister Perrin Beatty tabled in the Commons his department's White Paper on defence policy. The key initiatives in the Paper were (Department of National Defence synopsis of the defence White Paper, June 5):

To create a three-ocean navy by

1. Building six new frigates in addition to the six currently under construction and the four destroyers being modernized
2. Acquiring a fleet of ten to twelve nuclear-powered submarines to operate in the Atlantic, the Pacific and the Arctic
3. Installing a modern, fixed, under-ice surveillance system in the Arctic
4. Developing new sonar systems and acquiring detection array towing vessels for better underwater surveillance
5. Building minesweepers for the Naval Reserve
6. Acquiring new shipborne anti-submarine warfare helicopters.

To reinforce surveillance by

1. Purchasing at least six new long-range patrol aircraft
2. Modernizing the existing fleet of medium-range patrol aircraft
3. Maintaining the strength of CF-18 aircraft and arming them effectively
4. Promoting research, development and deployment of space surveillance systems
5. Investigating the installation of synthetic aperture radar in existing aircraft.

To strengthen territorial defence by

1. Expanding the Canadian Rangers, improving their equipment, training and support
2. Creating new Militia brigades which, together with the Special Service Force and the Canadian Airborne Regiment, would form a task force
3. Providing new equipment and training for territorial defence
4. Creating within the Militia a military vital point guard to secure key installations across the country
5. Establishing a northern training center in the High Arctic
6. Setting up a regional command structure.

To improve the credibility of Canada's contribution to alliance deterrence in Europe by

1. Cancelling our unsuitable commitment to send a brigade group and two fighter squadrons to northern Norway in order to consolidate our commitments on the central front

into land and air divisions

2. Pre-positioning equipment and supplies for the Canada-based brigade group (5 GBC) which in time of crisis would join the brigade group permanently stationed in southern Germany (4 CMBG)
3. Pre-positioning equipment and supplies for the AMF(L) Battalion Group assigned in time of crisis to Northern European Command
4. Re-equipping our armored regiments with new main battle tanks
5. Assuring sustainment of the army division by 1 Canadian Brigade Group and the new Militia brigades
6. Increasing the personnel strength in Europe to provide land and air Divisional elements and larger logistics and medical support cadres
7. Providing additional airlift capability.

To revitalize the reserves by

1. Introducing a Total Force Concept, reducing the distinction between the Regular and Reserve forces
2. Assigning the Reserves specific wartime tasks
3. Improving the quality and quantity of training and equipment
4. Increasing the Reserves to 90,000 personnel over time
5. Investigating reactivation of university Reserve officer training programs
6. Improving Reserve pay and benefits.

To build a firmer foundation for future defence by

1. Providing equitable opportunities in both official languages in the Canadian Forces and the Department of National Defence
2. Expanding the role of women in the Canadian Forces
3. Ensuring that the composition of the Regular and Reserve Forces more adequately reflects the ethnic diversity of Canadian society
4. Strengthening defence industrial preparedness
5. Enhancing the contribution of the Canadian Forces to foreign disaster and humanitarian relief
6. Broadening and extending the Military and Strategic Studies program
7. Replacing the War Measures Act with new emergencies legislation
8. Introducing legislation to establish Emergency Preparedness Canada, the agency responsible for coordinating the civil aspects of government-wide mobilization planning.

The Department of National Defence document added that major military equipment programs took a long time to complete and the government would not be able to implement all the initiatives at once. The goal, however, was to have them all substantially in place by the end of the 15-year planning period covered by the White Paper. The Paper committed the government to annual real growth in defence spending which would not fall below 2 percent over the 15-year period. Increased resources above that planned funding floor would be provided as major projects forecast in the White Paper were introduced.

The *Globe and Mail* reported on June 5 that Captain John Moore, editor of the authoritative annual London

review *Jane's Fighting Ships*, had greeted with astonishment and skepticism the plan to buy nuclear-powered submarines (SSNs). "If the aim is to go rumbling around under the ice looking for 'boomers,' [ballistic missile-carrying submarines] then it seems to be rather pointless just to satisfy Ottawa's sensitivity about American deployments," Capt. Moore said. "You can't show the flag with an SSN . . . The whole point of a hunter-killer is that nobody knows you are there, so you don't go waving your periscope around with a flag on it and playing The Maple Leaf Forever." The plan was the most widely criticized of all the White Paper initiatives, with Liberal defence critic Doug Frith (Sudbury) saying it "is going to send the wrong signal to the Russians, and NDP defence critic Derek Blackburn (Brant) calling it "a very, very dangerous proposal." In addition, a spokesman for the Canadian Centre for Arms Control and Disarmament said, "There is a very real danger . . . that, in times of crisis, Canadian submarines operating in the high Arctic will become an adjunct to the United States Navy's new forward maritime strategy, which, by threatening to attack Soviet submarine deterrent forces in their home waters, seriously undermines the stability of deterrence." A spokesman for Greenpeace said, "Canada's reckless decision to buy nuclear-powered submarines will threaten the security of Canadians, and could lead to a catastrophic environmental disaster, while doing nothing to enhance Canada's claim to Arctic sovereignty" (*Toronto Star*, June 6).

Canada's ambassador for disarmament, Douglas Roche, said, "Had I been writing that part of the Paper [regarding the Soviet Union] I would have recognized in a deeper way this transformation moment that is going on in the world in general terms in which we are trying to learn how to live together in the global community, in which we all have common ground and common vulnerability." But, Mr. Roche added, "our reputation, our experience and our commitment will overcome the poor rhetoric in the White Paper . . . The work of the Canadian government in disarmament is not going to be diminished by a White Paper. Our work of trying to build the fusion between East and West is going to go on" (*Kingston Whig-Standard*, June 13).

Prime Minister Brian Mulroney told the Commons on June 15 that criticism of the White Paper was little more than talk, a June 16 report in the *Globe and Mail* said. "We are not concerned about the opinions of any expert about the White Paper," the Prime Minister said. "This is a national document which . . . will strengthen Canada even more as a military power." Mr. Mulroney further defended the new policy in July when he told protesters in Nanaimo, B.C., "We're going to have a prouder country that will be properly defended . . . We're going to defend the interests of Canada" (*Ottawa Citizen*, July 13).

Finally, the Canadian military broke with tradition to begin speaking out on the White Paper. General Terry Liston, head of public relations for the Department of National Defence, confirmed on June 19 that senior military personnel had been speaking on the White Paper in churches, schools and service clubs since its release. Brigadier General Kent Foster of CFB Petawawa, told a Rotary Club meeting in Pembroke that he was pleased with the White Paper and spoke favorably of the government's

plans to buy a fleet of nuclear-powered submarines, the *Ottawa Citizen* reported on June 22. General Liston said that the Department "agonized" over the proper role of the military and public servants in discussing government policy. However, he said the new policy prohibited any kind of promotion or advocacy and restricted those personnel who gave speeches to providing factual, explanatory information. "There's always a grey line. However, it's the duty of

any department to explain policy to the Canadian people." MP Lloyd Axworthy (Lib — Winnipeg-Fort Garry) was critical of the use of military personnel to talk about the White Paper in public, saying, "If the military is being used, then it's politicizing the military, which is a very serious change in the arm's-length relationship that should be established," the report said.

For the Record

(Supplied by External Affairs Canada)

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Canada's new military plans

by Joseph T. Jockel

Prime Minister Mulroney, commenting on his government's new White Paper on Defence, told the House of Commons that "Everyone and his brother will have an opinion on . . . this important matter." That is only to be expected, especially given that *Challenge and Commitment, a New Defence Policy for Canada* which was released on June 5 by the Minister of National Defence Perrin Beatty, is the first such White Paper to be issued in sixteen years. Yet the Prime Minister's phrasing is, however inadvertent, emblematic of the approach his government has taken to defence policy. For the short run, the new White Paper has something in it for just about — but not quite — "everyone and his brother" among the Western allies and at home.

For the United States, and for others abroad and in Canada who remain both deeply suspicious of the intentions of the Soviet Union and worried about the expanded scope of Soviet military capabilities, *Challenge and Commitment* offers the tough, realistic and welcome rhetoric of allied solidarity and collective defence. It asserts as "a fact, not a matter of interpretation, that the West is faced with an ideological, political and economic adversary whose explicit long-term aim is to mould the world in its own image. That adversary has at its disposal massive military forces and a proven willingness to use force, both at home and abroad, to achieve political objectives." Sections of *Challenge and Commitment* often read, and even look, like the slick Pentagon annual production, *Soviet Military Power*. Moreover, contrary to some predictions, Canada can tell its allies that it is retaining the same number of military commitments to NATO it has had for decades.

The way it is

As well, for the critics of past Canadian defence policy, the White Paper has elements of absolutely refreshing candor. Gone are the attempts of past Liberal governments to deny that Canada's defences have reached a state of advanced decline. The last Liberal defence minister, Jean-Jacques Blais, once went so far as to claim that Canada "needed to take a back seat to no one" in terms of its NATO contributions. The Tory White Paper, in sharp rhetorical contrast, devotes a chapter to "the commitment-capability gap" and admits that "much of the equipment of most elements of the Canadian Forces is in an advanced state of obsolescence or is already obsolete." For these elements of honesty Mr. Beatty deserves praise.

For the Germans, there is the announcement that the Canadian contribution to the NATO central front is to be modestly enhanced. This is a victory as well for the Department of External Affairs and others (including officials of the

United States) who have argued that Canadian Forces Europe must remain, largely for political reasons, a centerpiece of Canada's military involvement in the Western alliance. Two eastern Canada-based rapid reinforcement squadrons, each with twelve CF-18 aircraft, will be committed for deployment in Germany in the event of an emergency, to join fifty-four CF-18s of the three squadrons which constitute No. 1 Canadian Air Group (1CAG), based at Canadian Forces Base Lahr in Germany. Previously, the destination of those reinforcement squadrons was north Norway. The 5è Groupe-Brigade du Canada (5GBC), headquartered at CFB Valcartier, Quebec, had also been slated for emergency deployment to north Norway as the Canadian Air-Sea Transportable (CAST) Brigade Group (BG). Now "over time," as the White Paper puts it, equipment for 5GBC is to be pre-positioned at CFB Baden-Soellingen, Germany, so that its troops can be airlifted there to join No. 4 Canadian Mechanized Brigade Group (4CMBG). Together 5GBC and 4CMBG would constitute a division-sized force.

Out of Norway

To be sure, the Norwegians are net losers in the wake of the new Conservative defence policy. Still, the White Paper had a little something positive for them, too. Ottawa was unwilling to sever altogether its military ties with NATO's Northern Flank. It is thus retaining the commitment to airlift a battalion-group of about 1200 personnel drawn largely from the 1st battalion of the Royal Canadian Regiment based at London, Ontario, to the Northern Flank where it would join the multinational Allied Command Europe Mobile Force-Land. Equipment being pre-positioned in north Norway for what was to have been the lead battalion of the CAST BG is to be left there for possible use by Canada's AMF(L) battalion-group. The government also expressed the hope of "continuing our very close and rewarding bilateral military relationship with the Norwegians." But it is very hard to see how that relationship can in fact remain close and rewarding now that its central elements, the two air squadrons and the CAST BG, have been cut out.

There is something as well for each of the armed services to support. For Mobile Command there is the termination of the CAST commitment and the enhanced role in Germany. Many of Canada's soldiers were long unhappy with the CAST commitment, which they called "Hong Kong in the snow" or "Canada's next Hong Kong," after the disaster

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An American's reading

which befell a Canadian brigade sent to reinforce the British garrison in that crown colony in 1941. The military utility of the CAST BG was predicated on its arrival in north Norway well before the outbreak of hostilities there. The bulk of its equipment was to travel across the North Atlantic and Norwegian Seas in Norwegian merchant shipping, a dubious voyage of up to thirty days. Most Norwegian strategists believe that the Soviet Union would need only a week or so to mobilize its resources to the point where they might be able to seize north Norway. Even if the BG were to arrive in time, grave doubts have persisted as to whether with current resources its troops could be logistically sustained as well as provided with adequate medical facilities.

Moreover, the army's commitments to Norway and Germany were of different kinds, resulting in an enduring headache for army planning and training. 4CMBG includes an armored regiment equipped with Leopard tanks. The CAST BG was a lighter force; its heaviest equipment being Cougar and Lynx armored vehicles. The program outlined in the White Paper ends this dichotomy. The equipment to be pre-positioned in Germany for 5GBC is, according to the White Paper, eventually to include new main battle tanks. New tanks are eventually also to be acquired for 4CMBG and for Canada-based armored regiments including 5GBCs. The strengthening of the Militia (Army Reserve), also announced in the White Paper will reduce another of the army's perennial worries. At the moment the dispatch of 5GBC to Norway or Germany, along with the dispatch of the AMF(L) battalion group and reinforcements for 4CMBG would all but deplete Mobile Command's manpower, severely limiting the availability of forces for such Canada-based tasks as aid to the civil power.

Fighting ships

Maritime Command (MARCOM) is the big winner. To be sure, it loses the third, proposed "batch" of new "City" class patrol frigates. But the first batch of six such ships is now under construction, with the first vessel, HMCS *Halifax*, to arrive in two years. The White Paper pledged the construction of a second batch. The most widely reported and debated feature of the White Paper, of course, was the announcement that MARCOM would be equipped with ten to twelve nuclear powered submarines (SSNs) capable of operating in the open waters of the Atlantic and Pacific as well as under Arctic ice. But that was not all. MARCOM is also to be given new shipborne anti-submarine warfare helicopters to replace its aging Sea Kings, a fixed, under-ice surveillance system in the Arctic, new sonar systems, and detection-array towing vessels. The Naval Reserve is to get minesweepers. At the same time Maritime Air Group, which belongs to the air force but which falls under MARCOM's operational control and which participates in MARCOM's anti-submarine warfare (ASW) activities, is to receive at least six new long-range patrol aircraft (LRPAs).

Beyond the six LRPAs, no new major capital acquisitions were announced for Air Command. But the air force is still in the midst of conversion to CF-18 aircraft. The North American air defence system, largely in accordance with an agreement signed by Prime Minister Mulroney and President Reagan at their 1985 summit, is being modernized, the most notable features being the construction of the North Warning System and Over-the-Horizon Backscatter radars pointed

eastward, westward and southward. Yet certainly the air force was not overlooked in the White Paper. The government recognized three of the air force's current concerns, and dealt immediately with one of them. First, it committed itself to maintenance of the CF-18 fleet at its current number of 138. (It remains troubling though, that those 138 aircraft retain too many commitments in Canada and Germany.) Second, the air force has become increasingly worried that US developments in space-based surveillance systems could leave Canada out. The White Paper associated itself with this worry. Pointing to studies underway in both Canada and the United States, the White Paper recognized that if those studies proved that space-based radar is "feasible, practical and affordable," National Defence "will have to devote, over the next fifteen years, significant resources to the establishment of a space-based surveillance system for North American air defence. Decisions regarding our contributions to a joint space-based radar system, or the development of a national system if a co-operative endeavour is not possible, will have to be taken in the course of the next five to ten years." Third, the equipment of Air Command's Air Transport Group is overtaxed and aging. The White Paper admitted that the air force suffers "from a serious shortage of air transport to move troops and equipment to Europe in times of tension," and promised to provide "additional airlift capability." No details were supplied, though.

Strong for NATO

"Transatlanticists" in Canada and elsewhere in the Western alliance are of course pleased that Canada's longstanding involvement in the defence of NATO Europe is to be retained. It bears underlining that the number of Canadian commitments there as well as their essential nature remains the same: an air group and a mechanized brigade both in place in Germany; with a brigade group, a battalion group and two fighter squadrons to be transported from Canada to Europe in an emergency. Yet those Canadians who believe that greater use must be made of the Canadian Armed Forces to protect Canadian sovereignty will find in *Challenge and Commitment* both gratifying rhetoric and an array of concrete steps. Most notably this involves the fixed under-ice surveillance system in the Arctic and the nuclear submarines, which, while militarily directed against the Soviets, are politically directed against the sovereignty challenge from the United States. Their presence in the Arctic is expected to bolster Canada's legal claims, although debate has already broken out over whether this is the best method to achieve that end. Surveillance capabilities will be strengthened by the six new long-range patrol aircraft and by the opening of forward operating locations (FOLs) in the north for CF-18s, as announced earlier this year by Mr. Beatty. In addition, a new army task force for territorial defence is to be created, along with a new northern training center in the High Arctic.

Long-term spending

Having found something for the Germans, the Americans, the three armed services, assorted critics of past policy, "transatlanticists," and those concerned about Canadian sovereignty; having even found a little something for the Norwegians; and having retained the same number of Canadian contributions to NATO Europe, while at the same time announcing a bolstering of Canadian sovereignty protection,

surveillance and territorial defence, *Challenge and Commitment* still manages to stay in the good graces of Finance Minister Michael Wilson and his department. Reportedly, Mr. Beatty had pressed his cabinet colleagues for a 15-year commitment for capital acquisitions. What he got is a most unusual formula which deserves setting out almost in full:

A rolling 5-year funding plan will be introduced within a 15-year planning framework. An annual Cabinet review, each autumn, will establish firm budgets for the following 5-year period, and planning guidance for the remaining ten years.

The Government is committed to a base rate of annual real growth in the defence budget of 2 percent a year (sic) after inflation, for the 15-year planning period. Increased resources over those provided by the planned funding floor will be necessary in some years as major projects forecast in this White Paper are introduced. The first annual review of the defence program will be conducted in September 1987.

As David Leyton-Brown has written ("US Reaction to the Defence White Paper," *International Perspectives*, July/August 1987) this formula generated considerable skepticism among US officials. Skepticism has also quietly been expressed by other allied officials. Well it should. The Mulroney government came to power in a burst of rhetoric promising substantial increases in the defence budget. It is now clear that measured by GNP shares and on a number of other indexes, Canada's defence spending will remain behind almost all the other NATO allies. Washington and other allied governments certainly are not unhappy with *Challenge and Commitment* and the promises to strengthen the commitments to Germany. But the Mulroney government has failed to increase Canada's defence budgets beyond 2.1 percent of GNP. Under these circumstances, the White Paper's formula of "annual defence increases beyond 2 percent if necessary, but not necessarily such increases" has inevitably led to a "wait and see" approach by Canada's allies. Indeed, the allies have come to the conclusion that the Mulroney government is prone to substituting words for dollars.

Still no clear strategy

For at least one group, *Challenge and Commitment* is a clear disappointment. This group of academic and other commentators has long called for a defence white paper to address, from a Canadian perspective, Canada's long-term strategic situation and interests. The prime areas of Canadian military involvement have been first, North America; second, the waters of the North Atlantic, the Arctic and the Northeast Pacific; and third, NATO Europe. The Mulroney government has now formally recommitted or committed the Canadian Armed Forces to all of these areas, although they today

constitute uncertain, changing strategic environments. About these changes and their implications for Canada, *Challenge and Commitment* is quite cautious, despite the document's emphasis on setting out a 15-year framework for re-equipping the armed forces. Changes in the European, North American or possibly the maritime environment could, a few years down the road, require an abandonment of either the government's still-parsimonious spending plans, or of the extent of Canada's still fairly widespread commitments. At the same time, allied strategies in these areas are, or may be, changing. Canadian forces will inevitably be caught up in these emerging strategies.

The White Paper did mention the impending greater importance of space for North American surveillance. But beyond brief acknowledgements, it avoided a detailed discussion of what is inevitably "Topic A" of North American defence: the possibility that the United States might sooner or later favor the deployment of new ballistic missile defences (BMD), or new air defences, or both. No doubt the bruising experience the Mulroney government underwent during its first year in office over its SDI policy, and over the relationship between SDI and the modernization of the North American air defence system, provided a strong incentive for it to avoid the topic.

The debate is underway in the United States over the wisdom of the "forward maritime strategy" which might have substantial implications for MARCOM, especially as it acquires new submarines. Those Canadians who find the US "forward maritime strategy" destabilizing in its emphasis on destroying Soviet maritime forces early in a conflict will be pressing the government to spell out both the extent of Canadian involvement and a Canadian position on the strategy itself. The Liberal defence spokesman immediately opened the issue upon the release of the White Paper.

In Europe, new tactical approaches such as "assault breaker" and "deep strike" are emerging. A successful US-USSR agreement on the elimination of medium-range missiles could very well result in a new emphasis on building up NATO's conventional forces, in which these new approaches would play a role. This would inevitably affect the capital needs of Canadian Forces Europe, especially the equipment to be located there for the two army Brigade Groups. The government eventually will have to fill a gap in *Challenge and Commitment* by explaining how it expects to equip these Brigade Groups, especially the new equipment for 5GBC which is to be pre-positioned in Germany.

No doubt all these matters will be at the heart of commentaries on *Challenge and Commitment* over the next year or so. For its part, the Mulroney government apparently has calculated, like most other governments before it, that there was little for it to gain from an immediate, extensive discussion of these long-term strategic issues. □

Small state security in the Caribbean

by Fauzya Moore

International crisis accompanied by diplomatic activity is almost always followed by a flurry of "policy relevant" academic analysis. The Grenada crisis of 1983 is no exception. And yet, four years after the event, it may be true that the immediate diplomatic and subsequent academic activity has produced little but a debate on the US intervention, and almost nothing in the way of constructive alternatives. One is left with the uncomfortable feeling that the small states of the Organization of Eastern Caribbean States (OECS, composed of Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Christopher & Nevis, Saint Lucia, St. Vincent & The Grenadines), who simply rationalized the American presence as intervention by invitation (and explained that there are well established precedents amongst Caribbean states for minding each other's business) may well have been right.

And yet, the Grenada crisis may have long term, detrimental effects on the Caribbean region. It divided the states of the Caribbean Community (CARICOM, composed of the seven in OECS plus The Bahamas, Barbados, Belize, Guyana, Jamaica and Trinidad & Tobago) amongst themselves. The support of the OECS, Barbados and Jamaica for the intervention provided a partial legitimacy to the principle of intervention in a hemisphere that has known too many. It widened for a while the existing diplomatic divisions between the English-speaking Caribbean and the Latin American littoral; and in the aftermath of the crisis the United States has increased its tendency to act as regional watchdog, in cooperation with many of the states of the Eastern Caribbean.

Commonwealth study

One important attempt to address the question of the options of small states in such circumstances is the Commonwealth report *Vulnerability, Small States in the Global Society*. It was commissioned at the 1983 Commonwealth summit in New Delhi as part of an ongoing concern for the security of small states, made more urgent by the need to reconcile the angry states of the Eastern Caribbean with the wider Commonwealth community. The report was presented to the Commonwealth summit in Nassau in 1985 and its implementation is being considered at the Vancouver summit in October.

The report is as thorough an exposition of the problems confronting very small states as may be found. Partly because of the way the study was put together it is more of a practitioners' manual than an academic text, and it reads not so much of academic rigor as of diplomatic compromise. The

recommendations of the study are divided into three areas, national, regional and international. They are by and large sensible if conservative. Small states are reminded that the "prudent management of statecraft" is the best way of avoiding hostile attention, that regional arrangements for a range of needs — economic, diplomatic and security-related — are often the most cost-effective way of deploying scarce manpower and technical skills. The international community is reminded — in very pragmatic ways — that "At the very least (it) has a moral obligation to provide effectively for their territorial integrity."

The process

The report was written by a group of experts, after they had attended a series of regional colloquia, convened by the Commonwealth Secretariat, at which a heterogeneous group of representatives (mostly diplomats, bureaucrats and academics) from the small states of the Caribbean, Indian Ocean/Southern African area, the Mediterranean, Asia and the South Pacific discussed their "special problems." The purpose of the working groups was to produce a report which both identified the special problems of small states, and appealed to the international community for assistance in resolving them. The group attempted to develop a category of issues peculiar to the small states of these regions, and to place their findings within a framework determined almost exclusively by the criterion of small size, and the attendant issue of "vulnerability." And therein lies the report's strength and weakness. While on the one hand it adequately documents the condition of small states, it also attempts to create a new concept based on small size without any acknowledgement of the theoretical debates that normally inform the study of the developing world.

There are important issues that remain unresolved as a result. For instance the role of political and commercial elites in perpetuating dependent relations with metropolitan centers, and in contributing to internal stability or instability, is never considered, presumably because of its political sensitivity (the report is after all a Commonwealth report), and possibly because in bringing together such mixed groups from the various regions, the question of the role of elites may not have been raised.

Problem of definition

Political compromise occasionally weakens the analysis. For example, the definition of a small state. The concept has occupied political theorists for some time — whether to classify a small state by territorial size, population, economic power, political influence or some other test. The group decided on a population measurement: a small state is one of

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under one million people. It then immediately broke the criterion by including Jamaica, Trinidad & Tobago and Papua-New Guinea — admittedly because these three states demonstrated many of the characteristics of “smallness” and maintained “integral links” with the small states of their areas. The reader might comfortably assume that the “special” problems as described are by no means limited to states of minuscule population size.

Finally there are a number of issues which for more obvious reasons could not be thoroughly examined in this attempt to find common denominators. For instance, the question of intervention could be dealt with only elliptically in the report. How could it be possible to discuss the issue of “just” intervention in the case of the Caribbean, when a hemisphere away the intervention of South Africa in the affairs of Swaziland, Lesotho and Botswana had produced so much internal confusion and international indignation?

Security is collective, if you're small

The report has therefore gently sidestepped many important issues in the attempt to achieve a political consensus, and a working typology. It has premised small state security on two principles: deterrence and stability through development. In the first instance it has argued persuasively that collective security arrangements among small states, but supported in some form or fashion by neighboring powers (and there is a distinct preference towards sympathetic, Commonwealth regional powers), are the most effective means of providing for the security requirements of small states. There is an unwritten assumption that very little independent action can be taken if a small state offends, or is subject to a aggression by a larger regional power.

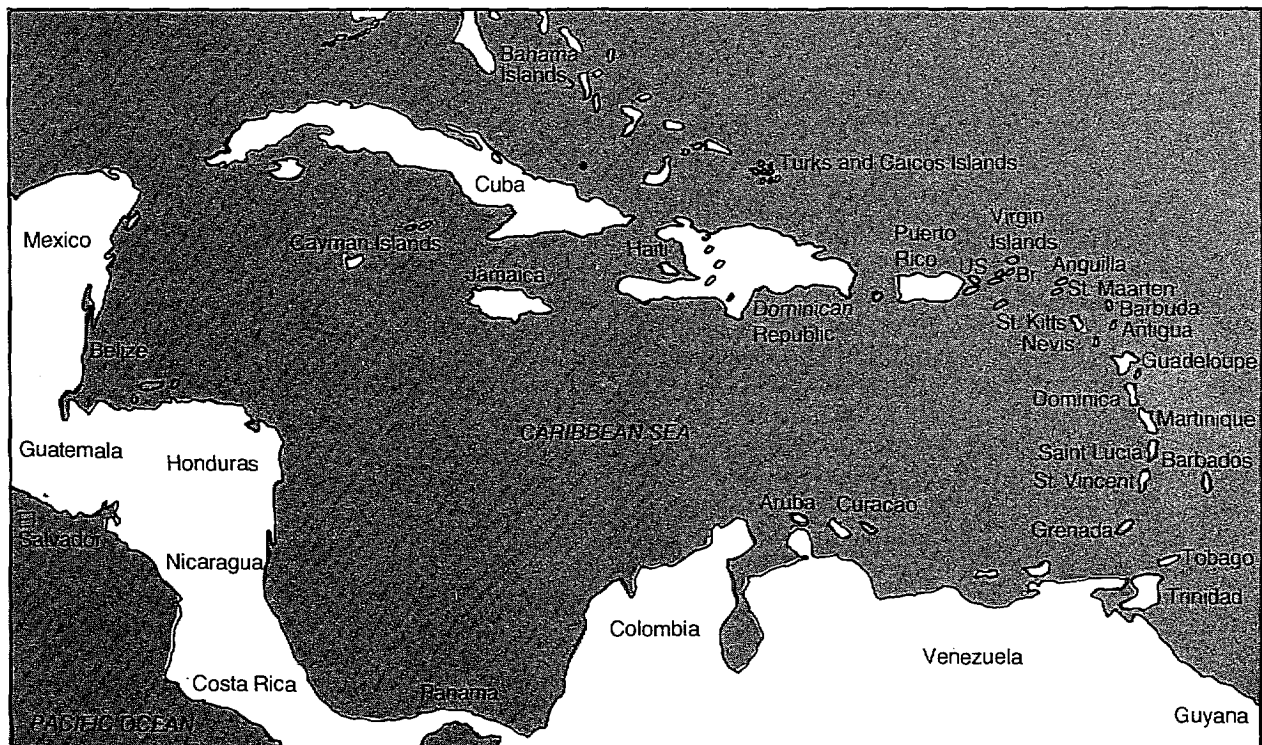
Second, since many of the threats to small state security are, at least in inception, internal, the question of development is inextricably linked to issues of stability, since no state can be both poor and secure. While this is a comfortable assumption it may not always stand up to analysis. A glaring hemispheric example of its fallibility is Haiti, which, as the poorest country in the western hemisphere, enjoyed a period of prolonged stability under the first Duvalier that contrasted oddly with the bombastic political turbulence of its wealthier neighbor, the Dominican Republic. Nevertheless it is reasonable to assume that a country has a somewhat better chance at stability if its citizens are relatively comfortably endowed.

Caribbean applications

More importantly, what is the relevance of the study to the Caribbean, where all the trouble started in the first place? First, to put the recommendations — in particular those pertaining to regional cooperation — in context, it must be noted that the only fully independent small states of the Caribbean are those of the Commonwealth and Suriname. The many other tiny islands of the Caribbean have all yet to attain full sovereign independence, for there is still an active metropolitan (American, British, Dutch and French) presence in the area.

There are longstanding traditions of regional cooperation in the Commonwealth Caribbean, fostered originally by a common history and culture and a parsimonious colonial administration which saw the cost-effectiveness of regional arrangements. These traditions were reinforced and substantially developed after independence by regional politicians and senior bureaucrats who saw the value of quickening the cause of regional cooperation as the best possible mechanism for confronting the external environment and for tackling the

Geography of the Caribbean



More payment for the past

potential insecurity that could be generated by tiny internal markets, high per capita costs of infrastructure and rising, independent expectations. In other words the Caribbean began the process of confronting its "vulnerability" a long time before it became globally fashionable to do so. As a result the Caribbean has many extremely intricate regional arrangements which allow variously for coordination of foreign policy, harmonization of legal practice, a regional and sub-regional common market, coordinated approaches to economic and industrial policy, and, in the case of the OECS, defence policy.

The countries of the Caribbean have taken the concept of regional Community, in a relatively short space of time, as far as a group of small, relatively poor states could. And yet it was in a Caribbean of a complex series of regional development and security arrangements that the Grenada crisis occurred. It is therefore not enough to recommend regionally coordinated approaches to economic development, foreign policy, to security, political problem-solving, and so on. It was not the absence of the such "self-help" arrangements that contributed to the Grenada intervention; it was their failure.

Case of Grenada

The challenges to the post-Grenada Caribbean therefore go beyond those outlined in the report. How may the regional arrangements be strengthened and their effectiveness enhanced? How may the regional mechanisms be structured so as to avoid external intervention? And when a domestic or regional crisis appears to be resolvable by international assistance only, what are the circumstances which will legitimate external assistance, and what are the mechanisms through which that assistance should be requested and delivered? Above all who — given the absence of a Commonwealth peacekeeping force — should provide the assistance?

On the international level the report also leaves unanswered the critical question of the Grenada situation. What should have been the role and function of sympathetic and influential governments when that small state ran afoul of the United States, and when attempts at reconciliation were rejected, thereby weakening the internal position of the government involved?

Inadvertent intervention

Further, while the relationship between sovereignty and external assistance is implicitly acknowledged throughout the document, that is the very issue at the heart of the Caribbean debate on Grenada, and of the division over the security question. It is true that small states will need all the external

assistance they may receive; it is a given in the report that wherever possible that assistance should be negotiated on a regional basis, and dispatched through impartial regional arrangements. But when the relationship is as asymmetrical as is the one between the Eastern Caribbean and the United States, even programs regionally or federally developed, negotiated and delivered, may not insure the sovereign independence of the small countries in the medium and long term. Today's limited security arrangements may become tomorrow's hegemony, and the change may be in the the geopolitical environment and so have very little do to with the participating sovereignties. Intervention in that situation may be more Latin American style punitive action (uninvited, and unwanted) than Eastern Caribbean rescue mission. The question facing the Eastern Caribbean is one of how assistance may be obtained without entrenching the long-term potential for bartering sovereignty — or as the poet Derek Walcott has put it, without ensuring that the Caribbean becomes a "green pond . . . mantling behind the Greek facades of Washington." In this context the report's gentle reminder that the collective security arrangements of the United Nations, which have yet to be made fully operational or effective, are of great potential benefit to some of its smaller members, is apposite.

Role of international community

Although the report's recommendations for regional action leave a host of questions unanswered, and despite the obvious gaps in the framework established, the report's greatest significance (and therefore value to the Caribbean) is in its outreach to the international community. It documents almost poignantly the problems confronting small states, even though it does not in all cases convince the reader of their exclusiveness. For that reason it is with sympathetic bilateral donors (of which Canada is certainly one) that the report may have its greatest significance. It has also successfully made the case for assisting small states in their attempts to establish effective representation at international forums, and has kept alive the issue of the potential graduation of several Caribbean countries from the concessional lending practices of the International Development Association (IDA) on the basis of per capita (therefore arguably inappropriate) criteria. And while it leaves unanswered several long-term issues facing the Commonwealth Caribbean, it has probably proven that there is no such thing as small-state security. Finally, in advocating regional arrangements already undertaken by both the Caribbean Community and the OECS states, it has reaffirmed to a skeptical external world the legitimacy of those arrangements even while recognizing their limitations. The diplomatic exercise has succeeded where scholarly conceptualism may have failed. □

Free trade and industrial policy

by Mario Iacobacci

Critics and proponents of bilateral free trade with the US have given little attention to the role of industrial policy in dealing with the adjustment problems that Canadian firms are expected to encounter in the post-agreement phase. This is largely a by-product of the artificial dichotomy between laissez faire and government intervention that characterizes the free trade debate. Free trade advocates, on the one hand, argue that once the trade pact is negotiated with the US the operation of market forces is all that will be required for Canadian industry to rationalize its activities, thereby generating the desired GNP gains. There is no role for government policy to facilitate industrial adjustment; market forces will do the job. The critics of free trade, on the other hand, have been too preoccupied with criticizing the principle of bilateral free trade to devote attention to the importance of industrial policy in easing adjustment during the post-agreement phase. In this context, industrial policy is viewed as an alternative to free trade.

How to live with free trade

A number of recent publications have attempted to remedy this inadequate consideration of industrial policy in a situation of free trade. This was the primary objective of a Macdonald Commission research study on *Trade, Industrial Policy and International Competition*. Prepared by Professor Richard Harris, it develops a cogent argument to the effect that both free trade and interventionist/industrial policy are required if the economy is to emerge strengthened from the structural changes caused by increased competition and technological change.

Harris recognizes that the conventional theory of comparative advantage is only of limited relevance to current policy discussions, because it fails to account for the economies of scale and other factors that cause imperfect competition in product markets. He corrects for these limitations by explaining that the nature of international competition is determined by the barriers that prevent firms from freely entering or exiting from production. For example, production in sectors such as manufacturing is characterized by economies of scale and large capital requirements, both of which can be used as leverage by existing firms in order to discourage potential competitors from entering production in their sector.

Barriers to entry

The "barriers-to-entry" approach has two important policy implications for small open economies such as Canada's: (1) in order to compete effectively, they must gain access to large markets, which enable their firms to exploit scale economies in production, and (2) such economies must

develop an active industrial policy to enable firms to overcome entry barriers in their competition for expanding markets, as well as in their efforts to withdraw from losing industries. This analysis leads Harris to conclude that bilateral free trade with the US is necessary but not sufficient. To compete successfully, Canada must complement free trade with an industrial policy based on "business-government-labor relations at the micro level." In this respect, Britain's entry into the European Community is instructive. Its failure to develop an industrial policy has led to a long-term decline in the competitiveness of its manufacturing sector in the face of common market competition.

Trade, Industrial Policy and International Competition by Richard C. Harris for the Royal Commission on the Economic Union and Development Prospects for Canada, Research Studies, Vol. 13. Toronto: University of Toronto Press, 1985, 167 pages, \$14.95.

The Free Trade Papers edited by Duncan Cameron. Toronto: James Lorimer & Company, 1986, 227 pages, \$24.95 cloth, \$14.95 paper.

Canada-U.S. Sectoral Trade Study: The Impact of Free Trade by Gilbert G. Winham et al. Halifax: Centre for Foreign Policy Studies, Dalhousie University, 1986, 323 pages, \$11.00.

Policy Harmonization: The Effects of a Canadian-American Free Trade Area edited by Richard C. Lipsey and Murray G. Smith for the C.D. Howe Institute. Scarborough, Ont.: Prentice-Hall Canada Inc., 1986, 164 pages, \$12.00.

Industrial policy can work

The upshot of the Harris analysis is that comparative advantage can be engineered by governments able and willing to design effective industrial policy. These policies include selective subsidies to accelerate investments into more efficient technology, and other programs to encourage forward-looking investment and marketing strategies among firm managements. But industrial policy also includes labor adjustment measures (e.g., compensation, mobility grants and job retraining) to enable firms to withdraw as quickly as

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Industrial policy now!

possible from "those industries which are genuine losers in the changing international division of labor." Harris argues convincingly that a policy of non-intervention in such sectors is politically irrelevant, because the absence of adequate adjustment policies compels politicians to give in to pressure for protection — the worst of all possible options.

The validity of the Harris thesis, however, depends on a rather tenuous distinction between policies intended for industrial adjustment and those intended for protection. In theory, it is possible that a free trade arrangement with the US would allow for the legitimate use of industrial policy instruments. In practice, such an agreement could prove to be elusive, partly because industrial policies necessarily imply a certain degree of protection and partly because the large disparity in bargaining power between Canada and the US enables the latter country to pressure Canada to harmonize domestic economic policies with US standards.

The first reason for the conflict between free trade and industrial policy is that the latter requires a degree of import controls that may conflict with free trade. Without such import controls a small open economy would be unable to ensure the full effectiveness of its industrial policies, because of its inability to implement a reflationist policy for fear of causing a serious deterioration in its trade balance and exchange rate. The need for reflation is dictated by current conditions of low aggregate demand, which reduces the response rate of firms to incentive-based policies.

Difficulties of adjustment

If Harris is correct in arguing that the adjustment period to free trade requires active industrial policies, it follows that the inability to fully exercise these policies (as suggested above) reduces the GNP gains that one would otherwise expect from free trade. In other words, the ineffectiveness of industrial policy would mean that some firms would not fully adjust to the increased competition and greater market access. Thus, some inefficient producers would fail to leave the market, while some relatively efficient firms would fail to make the leap into large-scale production, thereby leaving US market opportunities unexploited. This was effectively argued by Duncan Cameron in his excellent introduction to *The Free Trade Papers*, a collection of twenty-seven documents from leading participants in the free trade debate, including economists, government officials, journalists, trade unionists and other affected groups. Cameron explains that while US firms require only a limited increase in production to capture Canadian markets, a Canadian firm would need a major expansion in operations to do the same in US markets. Although the benefits from such an expansion could be great, the risks and costs would also be enormous. As a result, "few firms could be expected to take the leap," especially without the support of an effective industrial policy. The crux of this analysis is that the empirical estimates of GNP gains from free trade tend to exaggerate the actual benefits that accrue to the Canadian economy, because they are based on research which *assumes* that Canadian firms fully adjust to the new market conditions. According to Cameron, who refers to a point made by one of the contributors to the volume (economist Bruce Wilkinson), the real danger in overestimating the gains from free trade is that Canadian negotiators will be prepared to give up more than they otherwise would have. Given the view of the US Congress that that country's trade

deficit is due to "unfair trade" practices by foreign governments, and given the tendency of the Conservative government to shun industrial policy instruments, industrial policy is probably the area where Canadian negotiators are most likely to compromise (i.e., give up some authority). This is all the more likely in light of the enormous disparity in bargaining power between the two trading partners and the resulting pressure to harmonize Canada's trade-related policies with US standards — the second reason for the incompatibility of free trade and industrial policy.

Reform commercial policy

There do, of course, remain some possibilities for GNP gains through bilateral or even unilateral rationalization of commercial policy, without exacerbating existing pressures for harmonization. This is one of the conclusions that can be drawn from the *Canada-U.S. Sectoral Trade Study*, a background study by Gilbert Winham for the Macdonald Commission. It offers a detailed examination of trade statistics and commercial policies for each sector, thereby providing numerous instances where a rationalization of policy could generate significant GNP gains.

The trade negotiations, however, will do more than just rationalize the commercial policies of both countries. The trade agreement is expected to be comprehensive in its coverage of goods and services. Therefore, if such an agreement is implemented, it can be expected to lead to greater integration of North American markets, with a commensurate increase in harmonization pressures. As suggested above, this would constitute as second source of incompatibility between free trade and industrial policy.

Harmonization small problem.

A recent publication by the C.D. Howe Institute, entitled *Policy Harmonization: The Effects of a Canadian-American Free Trade Area*, arrived at the opposite conclusion. Commissioned by the federal government, the study includes five papers analyzing the potential for increased harmonization pressures in the areas of fiscal policy, commercial policy, cultural support policies and agricultural issues. In their overview to the volume, editors Lipsey and Smith conclude that a bilateral free trade area would not lead to any significant increase in existing pressures for Canada to harmonize its domestic economic policies with those of the US. The exceptions are agricultural and cultural support policies, which the authors argue could be exempted from the bilateral agreement.

The authors are to be commended for providing a coherent analytical framework for dealing with an aspect of the free trade debate that is rarely discussed in terms other than emotional or rhetorical. Nevertheless, the reader can detect a systematic reluctance of the authors to recognize forces making for policy harmonization under a Canada-US trade agreement. For example, Lipsey and Smith argue that a free trade area allows the trading partners to capture the gains from free trade without requiring that they harmonize their policies. But this kind of *a priori* reasoning only obscures the discussion. The real source of harmonization pressures is not the "type" of agreement, but rather the enormous disparity in bargaining power that characterizes the Canada-US trading relationship. One manifestation of this asymmetry is the fact that "non-discrimination against foreign investment" is an

integral part of the trade negotiations, even though it is a "common market issue" that should be exempt from negotiations for a free trade area. Furthermore, two of the Canadian concessions required to launch the negotiations — the dismantling of FIRA and the Mulroney promise to do away with compulsory licensing of drug patents — are classic examples of the increased pressures for policy harmonization that could be expected under a free trade deal with the US. Lipsey and Smith ignored these cases of policy harmonization, while failing to understand that the pressures for harmonization are rooted in the asymmetry in bargaining power. These problems cast significant doubt on the validity of their conclusions.

Conclusion

Perhaps the most important message from these four books is that a free trade agreement with the US necessarily

requires an active industrial policy to ensure that losing industries are allowed to adjust without resorting to protection, and that the remaining firms are encouraged to take advantage of US market opportunities, through forward-looking investment and managerial strategies. Without these conditions for adjustment, free trade would not generate any GNP gains, and could possibly lead to net losses. Therefore, it is of critical importance that Canadian policymakers recognize the powerful forces at work which could restrict Canada's use of the very (industrial) policies that are required to realize the GNP gains. This would enable Canadian negotiators to minimize any concessions that could compromise our full authority over industrial policy. In light of this, I feel uneasy about the laissez faire inclinations of the present government, which could allow it to trade-off our ability to practise industrial policy in exchange for assured access to the US market. □

Book Reviews

Geopolitical fudge

by Paul George

Paradox of Power: The United States in Southwest Asia, 1973-1984 by Maya Chadda. Santa Barbara, California: ABC Clio Inc., 1986, 278 pages.

Maya Chadda correctly states in the introduction to this disappointing book that "Southwest Asia is less a geographic than a strategic reality." The author then "attempts" to prove that strategic circumstances have generated a coherent US policy towards a region which successive US administrations have chosen not to treat as one. The task is, of course, impossible. The "region" is not a geopolitical unit: US relations with the countries of the area are bilateral, even today reflecting Middle Eastern, Persian Gulf or South Asian concerns.

Nevertheless, the author, a professor of Political Science at William Paterson College, New Jersey, sees the first-term Reagan administration's ventures in Southwest Asia as evidence of an orderly US policy in the region. (Lebanon? Iran? Pakistan?) Accordingly, Chadda takes us rapidly through the Nixon, Ford and Carter years to get to the heart of her thesis: that "the distinctive feature of President Reagan's administration is not a shift of policy toward Southwest Asia, but a heavy, unprecedented reliance on force and the threat of force to achieve US goals." This is simply preposterous.

The threat of force has always underwritten US policy in Southwest Asia. Whereas the force used to be British, or Iranian, or Israeli, the real issue is that it is now American. So the burning question is: How did the US come to be the region's defender? By devoting half of the book to the Reagan administration, the author gives scant attention to more than half of the story — and the indispensable half at that. There was no "overall policy" under Reagan's predecessors: current events in the region

support the conclusion that there still is none. The "paradox of power," if indeed there is one, is a simple function of the interaction between events beyond US control and US reactions to them.

There is a pressing need for solid academic analysis of the developing situation in Southwest Asia. Unfortunately, *Paradox of Power* provides nothing of substance to an understanding of events, nor should it be expected to. Official documents are sparsely used and no conversations with those involved in the decision-making processes are recorded in the preface. Numerous examples of an amateur level of research and poor editing destroy the credibility of the work and lead to the conclusion that sound scholarship has been sacrificed for the sake of "timeliness."

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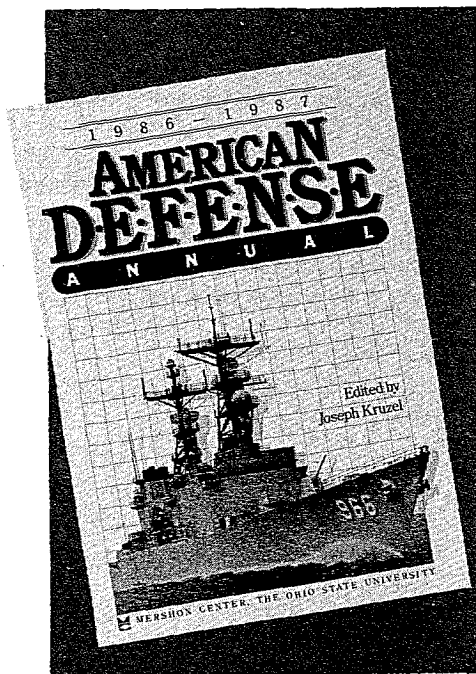
Book Reviews

Essays on Defence

by James Macintosh

American Defense Annual 1986-1987 edited by Joseph Kruzal
Toronto: D.C. Heath Canada Ltd.,
1986, 293 pages, \$44.75.

The *American Defense Annual* (1986-87) contains eleven discrete chapters of generally good quality, all dealing with particular aspects of US defence policy in 1985. These chapters include Kruzal's able overview, Robert Komer's good overall discussion of US defence



strategy, Lawrence Korb's educational examination of the defence budget, Colin Gray's typically controversial analysis of strategic forces, Anthony Cordesman's solid discussion of theater forces, Harry Train's examination of seapower, David Segal's treatment of personnel issues, Jacques Gansler's informative analysis of the weapons procurement process, and Paul Nitze's surprisingly ordinary review of arms control issues. There are, in addition, two special supplements (Roy Godson's discussion of intelligence policy and Lester Brown's consideration of "new dimensions of national security"). There are also two appendixes (a defence chronology for 1985 and

worldwide US force deployments in 1986) and a useful list of defence publications.

Overall, the coverage of this policy-oriented review is thorough, competent and moderately conservative. The basic theme of the chapters is the need to exercise clear thinking as well as moderation in both defence planning and spending, given the re-emerging environment of fiscal restraint.

There are no real surprises in any of the chapters although several deserve special mention. Gray's examination of strategic forces is particularly interesting, covering the range of issues in considerable detail. Although one may not always agree with Gray's policy prescriptions, his analyses are usually penetrating and accurate. In this case, he is correctly critical of the Reagan administration's atheoretical policymaking. Cordesman's review of conventional force defence issues is also a solid contribution, again focusing on incipient problems with American force structure and commitments. Also thought-provoking is Brown's discussion of new dimensions of national security. He directs our attention to a series of less obvious but important issues associated with the broader costs of perilously high defence spending that may well undermine or even destroy superpower and world economies in the near future. This is a useful, interesting and worthwhile contribution to the annual review literature.

James Macintosh is Senior Research Associate in the Centre for International and Strategic Studies at York University in Toronto.

Conscience of the world

by Tom Sloan

Amnesty International Report 1986 by Amnesty International Publications. London: 1986, 386 pages, \$10.00.

This bulky volume, dealing primarily with events that occurred in 1985, is in the best tradition of Amnesty International. It coolly, impartially and

implacably describes in detail some aspects of man's inhumanity to man during a brief time-span in the history of that inhumanity. It does not raise its voice; it chronicles. And it is all the more effective — and horrifying — for that reason.

Apart from an unconditional opposition to the death penalty anywhere, at any time, for any reason, Amnesty International, as it constantly reminds us, is unideological. Its concern is with the fate of thousands of victims of governments, no matter what religious and political ideologies they profess.

In this latest annual Report, there are 128 nations mentioned. Unlike the 1985 Report — which included allegations of torture in Montreal's Archambeault prison — this one contains no mention of Canada. As for the United States, the entry is devoted to the executions of convicted criminals, and possible miscarriages of justice in several criminal trials.

In the case of dozens of other countries around the world, the allegations are much more serious. The picture that emerges is one of a world full of nations governed by regimes to which it is quite normal to imprison, torture and murder their own citizens for having opinions that differ from those of the government of the day.

In places, the arbitrary abuse of power can take bizarre twists. The entry on the African country of Malawi, for example, tells the story of three journalists arrested in March 1985, and still imprisoned at the end of the year. The Report notes: "The reason for their detention appears to be a report . . . [of] a speech by the country's Official Hostess . . . during a meeting on women and development. The Daily Times reported Cecilia Kadzamira as saying 'Man cannot do without woman.' . . . It appeared that the remark was deemed offensive to Life President Hastings Banda, who is a bachelor. On the day the press reports of the speech appeared [the three journalists] . . . were arrested."

While the case of Malawi is among the strangest, the contest for the cruelest regime in the world would be close, with many governments, especially in Africa and Latin America, in the running.

The Report's catalogue of barbarity is long and dismaying. But it is a necessary reminder of present political realities. While Amnesty International is recognized by the United Nations and has

groups in sixty countries, it has no power. Governments can and do ignore its queries and its appeals. Its principal weapon is its ability to publicize the offenders, their actions and, all too often, their refusal even to acknowledge the existence of either their questioners or their victims.

There is just one niggling question. Amnesty International has of course every right to oppose vociferously the death penalty under all circumstances. But such an attitude can occasionally muddy the waters. It somehow seems inappropriate to use the same cool tone to describe the legal execution of convicted murderers as one does to detail the wholesale murder and torture of dissidents.

In the whole context, however, the reservation is a minor one. If Amnesty International did not exist, we would have to invent it, for it serves as the conscience of the world.

Tom Sloan is an Ottawa journalist and writer.

Help for the White Paper

by Peter Ward

Trends in Continental Defence: A Canadian Perspective by David Cox. Ottawa: Canadian Institute for International Peace and Security, 1986, 51 pages, free.

High Tech and the High Seas edited by Brian MacDonald. Toronto: The Canadian Institute for Strategic Studies, 1985, 176 pages, \$14.00.

Strategy and the High Arctic edited by R.B. Byers and Michael Slack. Toronto: The Canadian Institute for Strategic Studies, 1986, 117 pages.

Three recent publications bear strongly on the White Paper on defence, released this past spring by Defence Minister Perrin Beatty. Most of what this collection of academic papers and discussion transcripts have to say confirms the urgent need for the up-dating

of Canadian defence policy contained in the White Paper. The authors would applaud the goals Mr. Beatty has set. There is, however, substantial argument over the way he has set Canada's defence spending priorities.

An overview of Canada's defence-of-the-nation problems comes from the first of the three publications, *Trends in Continental Defence: A Canadian Perspective*. Author David Cox was then the Institute's research director, and is a member of the Queen's University Department of Political Studies. His 50-page paper contains some excellent tables comparing NATO-Warsaw Pact weaponry, including the range of everything from ICBMs, Submarine Launched Ballistic Missiles (SLBMs), Submarine Launched Cruise Missiles (SLCMs), and Air Launched Cruise Missiles (ALCMs).

Professor Cox makes the argument that if the US proceeds with the Strategic Defence Initiative, then Canada will be involved inevitably. We have agreed to participate with Washington in the up-dating of North American detection of manned aircraft and cruise missiles — the North Warning System — and if the US implements SDI against ballistic missiles, defence against those weapons will certainly be integrated with defence against bombers or submarines carrying long range cruise missiles. Cox suggests that Canada should insist that new radars for the North Warning System be located on the fringes of Canada's Arctic islands, rather than on the northern mainland, as were the DEW line sites. He points to Canada's deplorable lack of ability to monitor air traffic in most of her air space, and he suggests that Canada put up her own radar satellites, for defence detection purposes, and also for peace time air space control. His arguments are well made.

He is on less firm ground when he suggests that the nuclear submarines Mr. Beatty wants to buy would be used solely for the Arctic, under polar ice. Nuclear submarines are the best of all anti-nuclear submarine weapons, too, and anti-submarine warfare is Canada's prime NATO maritime task. The fact they will also be the best detection/protection system for under the ice is a bonus.

Professor Cox's paper is must reading for those who attempt a serious analysis of the White Paper.

The Canadian Institute for Strategic Studies' paper titled *High Tech and the High Seas* is a transcript of the Institute's proceedings of Spring 1985. Despite the age of the paper, what went on two years ago in Halifax bears directly on the White Paper, because Mr. Beatty's key policy decision is an expensive revitalization of the Canadian navy.

The Halifax conference began with an overview of Soviet and NATO maritime strategy, and the implications for an alliance of Atlantic nations now that the Soviet Union has a worldwide blue water navy. At one point during discussion, the then Maritime Commander, now retired Vice Admiral Andrew Fulton, erupted in frustration over how the political dictates of a "buy Canadian" policy were forcing the Canadian navy into second rate computer equipment purchases.

Admiral Fulton presented a paper of his own, listing for the audience the composition of what he would consider to be the ideal mix of maritime strength for Canada. The White Paper's plans fall short of the admiral's wish list, but there are some striking parallels. His ideal fleet would include four nuclear submarines, four diesel-electric submarines and three helicopter carriers, as well as twenty-four frigates, four helicopter-carrying destroyers, twelve minesweepers, eight patrol boats, and four polar icebreakers in naval service. There would be four naval bases — not two — in Fulton's ideal Canadian navy, and a mix of thirty long range patrol aircraft, with sixty-four sophisticated anti-submarine helicopters.

Of the eleven papers presented for discussion at Halifax, one of the most alarming was that of Commander Fraser McKee, now President of the Navy League of Canada. He has almost made a career out of warning Canadians of the danger of mines in our ports if a crisis should arise. His description of the mine high technology now available, and the ease with which an enemy could block Canadian harbors, casts a chilling light on our vulnerability. When the White Paper was released this past spring, McKee was guardedly optimistic about the importance Defence Minister Beatty attached to taking action on the danger of mines. He has no intention of abandoning his crusade until the minesweepers promised in the White Paper are in service.

Book Reviews

The last of this series of three booklets is from the Canadian Institute of Strategic Studies' Polaris Series and it combines eight papers concerning strategy and the Arctic. The opening paper by James R. Gibson dates back to 1972, and despite its age, comparison of the geographic-climatic-population differences between the Canadian and the Soviet Arctic serves to place Arctic strategic matters in a clear context. There is a relatively well populated zone, with a summer worthy of the name, and a sea coast which can be used for transport. Ours is more solidly cold and sparsely populated — perhaps because Canada has never had a central government policy of exiling dissidents to Baffin Island.

Subsequent papers by Ron Purver, George Lindsey, John Gellner, Nancy Weeks, Erik Solem, and Elizabeth Young set out the strategic and political issues of the Arctic from all aspects.

Will the Arctic be turned into what John Gellner calls "the strategic forefield" and should it? Should the Arctic be declared a nuclear-free zone? Papers in this series note that the Soviets have consistently promoted the nuclear-free zone concept for the Arctic, excluding the Soviet Arctic. The Soviet Arctic is already a "strategic forefield" for them, by nature of their geography, and with a population which has been growing ever since the Czars began banishing troublesome people to Siberia. Yes, the Soviets would like the Arctic — our Arctic — to be a nuclear-free zone, just as they would like Scandinavia to be nuclear-free, provided they can use the Baltic Sea for their nuclear-powered and nuclear-armed ships.

When the Arctic is placed in context of changing strategies of East and West, the new weapons systems under development and the new threats, the Canadian Arctic, in fact, appears destined to become a major area of superpower confrontation.

Peter Ward is a freelance journalist in Ottawa who closely watches military affairs.

seven of the twelve original Parties to the Treaty: Argentina, Chile, Britain, Australia, New Zealand, France and Norway. The other five states (Belgium, Japan, South Africa, the Soviet Union and the United States) have never made any territorial claims, the policy of the two superpowers being not to recognize anybody else's claim either. Twenty states have now acceded to the Treaty: Brazil, Bulgaria, China, Cuba, Czechoslovakia, Denmark, Finland, East Germany, West Germany, Hungary, India, Italy, The Netherlands, Papua-New Guinea, Peru, Poland, Romania, Spain, Sweden and Uruguay. Of these, Brazil, China, West Germany, India and Uruguay have conducted the necessary scientific activity to qualify as Consultative Parties.

Chapter III traces the origins of the treaty from 1948 to its conclusion in 1959 at the height of the Cold War. At the time, the United States was anxious to deny access to the Antarctic continent to the Soviet Union and it decided to forego any claim for itself in spite of the previous expeditions by US citizens. It therefore presented a proposal, which was incorporated in the Treaty, freezing all claims, but without prejudice to reviving claims or advancing new ones later.

In his analysis of the system of consultative meetings (Chapter IV), which system constitutes the decision-making mechanism, the author underlines the privileged position enjoyed by the twelve original contracting Parties. They cannot lose their consultative status, whereas the other Consultative Powers may lose such status if they cease to carry out the "substantial research activity" required by Article IX of the Treaty. The following three chapters are devoted to conservation measures, the role of the meetings of experts and the role of the Scientific Committee for Antarctic Research. The latter, it is concluded, "has become the central scientific support organization of the Consultative Powers and serves a vital function for the Antarctic System."

Chapter VIII deals with the duties of acceding States and the special question of whether they are bound by the Recommendations adopted by the Consultative Powers prior to their accession. Chapter IX on Administrative Arrangements underlines the fact

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What effect has the post-1979 depression in OECD countries had on the poorer groups of the population in developing countries? To find an answer to this question, the ILO launched a joint research project, under the auspices of the World Employment Programme, between its teams in the various regions of the world and the ILO's headquarters in Geneva. The present study, with contributions from Latin America and the Caribbean, Africa and Asia, is the first result of this research.

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Learning from the Antarctic

by Donat Pharand

*The Antarctic Treaty System:
Politics, Law and Diplomacy by
Jeffrey D. Myhre. Boulder, Colo-
rado: Westview Press, 1986, 162
pages, US\$19.50.*

In only 117 pages of text (eleven brief chapters) Jeffrey Myhre has managed to provide us with a reasonably complete picture of the Antarctic Treaty System: its origin, its *modus operandi* and its chances of survival.

After a general overview in Chapter I, Chapter II on territorial sovereignty gives a succinct summary of the various bases for the claims made by

that the Antarctic Treaty System is an anomaly in international organizations, in that it has no secretariat or permanent administrative personnel. The question was discussed in the early years of the Treaty, but it was decided against having a central bureaucracy.

The last two chapters cover two related questions: an Antarctic minerals regime and the future of the Antarctic Treaty System itself. The difficult task of agreeing on a legal regime for the eventual exploitation of mineral resources has not yet been completed. The task is all the more delicate because the territorial sovereignty issue, although frozen for the moment, remains important and unresolved. As for the future of the Antarctic Treaty System, it is not without challenge. At the insistence of developing countries, the United Nations has been involved in the Antarctic question since 1983, when the General Assembly requested the Secretariat to prepare a study. This was completed in 1985 and in that same year the Assembly adopted a resolution calling for the "equitable sharing of benefits" of mineral exploitation. Since the publication of this book, the General Assembly adopted a resolution on December 4, 1986, asking the Consultative Parties to impose a moratorium on the negotiations for a minerals regime so as to enable all members of the international community to participate fully in those negotiations.

Regardless of the precise future of Antarctica, it would seem obvious that it is advantageous for Arctic states to be members of the Antarctic Treaty System. Since Denmark entered the system in 1965, Canada has been the only Arctic state remaining outside. Consequently, it cannot contribute to or benefit directly from Antarctic research in areas such as geophysical exploration, geological reconnaissance, sea ice structure and behavior, climate dynamics and the protection of the marine environment.

This excellent little book should be compulsory reading for anyone wishing to acquire a condensed but comprehensive view of the Antarctic Treaty system.

Donat Pharand is Professor of Law at the University of Ottawa.

Volume of UN-speak

by Brian Meredith

Encyclopedia of the United Nations and International Agreements by Edmund Jan Osmanczyk. New York: UN Publications, 1986, 1059 pages, US\$150.00.

This impressive, large, and costly tome is a worthwhile investment to those who must deal with international affairs. It sorts out and sets out everything that should be kept on the record in its field over the past forty years and more. This embraces not only the transactions of the organs and agencies of the United Nations since their appearance, but also those of a variety of other global and regional groupings, governmental and non-governmental. All concerned deserve credit for their scholarly candor and for the breadth of their researches.

It is all, or nearly all, in 6-point type and needs a reading glass for most eyesight.

Canada's statistics and international relationships get a column of coverage, and St. Pierre-Miquelon a couple of inches, including the appeal of the UN decolonization Committee in 1976 for their full autonomy from France. The Encyclopedia's examinations of such large subjects as the Law of the Sea, Human Rights, and the Environment, provide useful recapitulations and cross references that should be helpful to those seeking to find their way through these labyrinthine exercises and the UN-speak usually employed in defining them. Institutional librarians should find this brave effort of lasting usefulness in answering inquiries. Perez de Cuellar welcomes it and congratulates author and publisher.

Brian Meredith is a retired international civil servant living in Ottawa.

Monitoring the Third World

by Alexander Craig

Third World Affairs 1986 edited by Raana Guahar. Boulder, Colorado: Westview Press, 1986, 476 pages, US\$35.00.

It is so basic, yet most of us hardly think about it — the Third World, that is what "it" is — where at present two-thirds of the world lives, soon to be four-fifths. That and other statistics become more overpowering the more one thinks about them.

How can we properly attempt to keep up with what is going on in the poorer regions of the world? Vast flows of information are available, but busy people find most useful a carefully prepared digest. *Third World Affairs* is that digest in many respects. Not in all. Why so relatively much on Latin America, so little on Asia? Are not readers entitled to know a little more about the compilers — the Third World Foundation, its financing, not just its ideals? Might that explain its angled coverage? (It is of course possible that previous issues have dealt more fully with Asia — it would surely take up very little space to give simply the Tables of Contents of previous issues; this is a work of reference after all.)

These reservations aside, this is a first-class annual. There are interesting articles on a wide range of topics, by some of the world's most distinguished experts. This book is, appropriately enough, very future-oriented. In addition to articles covering such major problems as arms buildup and environmental concerns, it examines other basic matters for worry, such as the way in which "market-sharing arrangements are increasing" and the way the international trade situation gets more complex and veers toward protectionism.

The main aim of this book seems to be to encourage action. Its articles continually stress the need for such qualities as flexibility, not just in the minds of those who shape the activities of bodies such as the IMF, but

Book Reviews

also among those who influence and implement the policies of the rich countries.

One of the most attractive features of this impressive collection of articles is its range and variety. Among the five articles in the section on Human Rights is one on "The rural women's work: overworked and underpaid." The section on cinema has five articles, one on ending Western dominance, the others on Arab, African, Chinese and Indian cinema.

Anyone with any interest in the Third World is bound to find a lot of fascinating information and analysis in this volume.

Alexander Craig is a freelance writer based in Lennoxville, Quebec.

Germany in Canadian eyes

by Josh Moscau

Perceptions of the Federal Republic of Germany edited by Robert Spencer. Toronto: Centre for International Studies, University of Toronto, 1986, 112 pages, \$9.95.

It is an easy guess that Germany's role and value in the world will change greatly in the future. Among the reasons: Bonn's fealty to Washington and East Berlin's to Moscow are both growing thin. The *raison d'être* of the two Germanies as necessary hinges to keep the two superpowers simultaneously apart and in dialogue is being superseded by the ultimately more rewarding objective of confrontation/cooperation. We see this in the Persian Gulf and in the fascinating tug-of-war over India's affections. Substantial change will also come as the now-real prospect of an accommodation on Eurostrategic arms takes on shape. So, what of Germany?

The University of Toronto's Centre for International Studies organized in early 1986 a 3-day seminar on *Perceptions of Germany*. Some seventy specialists, academics for the most part, wrestled with the question of what West Germany meant to the world and how Bonn was seen in Washington and Moscow, Ottawa and Paris.

It is worth noting that the conference was held in the wake of President Reagan's ill-fated visit to the war cemetery at Bitburg and — a singular Canadian focal point — after the Toronto trial of one Ernst Zundel. Two other Canadian "angles" probably contributed as well: the then ongoing War Crimes investigation by Mr. Justice Jules Deschênes and a curiously mismanaged teacup tempest over an editorial in *Maclean's* magazine. Barbara Amiel, an observer not always noted for even-handedness, had spoken of Germans as "a race of hideous murderers." This prompted a testy exchange between the German Embassy in Ottawa and *Maclean's* editors. *Maclean's* pointblank refusal to retract stung Germans, both inside and outside the Embassy.

Not surprisingly then, the volume presented now by Professor Robert Spencer of Trinity College, a longtime student of German affairs, reflects this immediate, though arguably peripheral and episodal backdrop. The Zundel/Amiel/Bitburg/Deschênes mix did, however, demonstrate one important point: that is still easiest to focus on the downside aspects of the German persona. Ottawa historian Robert H. Keyserlingk says in his candid appraisal that

It would be foolish for Germans to ignore this unpleasant image. It may be unpalatable, but the perception of large groups of Canadians . . . today is still deeply linked to fears and feelings about the Hitler regime.

Rather than shying away from this dilemma, he argues, Germans and German-Canadians should deal with the problem of the Nazi era.

Inevitably perhaps, there was a lot of handwringing over the continuing Canadian media failure to reflect a full and fair image of contemporary West Germany. Too much on Hitler diaries, Bitburg and all the rest, according to Keyserlingk, and entirely too little on the remarkable success of "cooperative German federalism" since 1949. And the Canadian failure, by and large, to "understand" such dramatic recent evolutions as the growth of environmental politics. There is also the deplorable neglect of the dialogue initiated by Pierre Trudeau and Helmut Schmidt during the late 1970s.

Canada's perhaps strongest ambassadorial advocate of closer relations and better understanding, John Halstead, rightly cites Trudeau's 1978 Bonn statement that

Canada's historic ties with Britain and France have obscured a realistic view of the continent, just as Germany's close association with the United States may have obscured to many German eyes the second reality in North America.

What we now know, is that the unique *Männerfreundschaft* (bonds of male friendship) of Schmidt and Trudeau was not sufficient to inject enough energy into the relationship to create stronger ties. Halstead says it is now "clear that the earlier momentum . . . has been lost." Today, he concludes with regret,

There are almost no unanswered questions about the future relationship between Canada and the Federal Republic. The elements of common interest remain, as does the potential for cooperation, but doubts persist about both the knowledge and the will to exploit them, on the Canadian side at least.

These are harsh words.

There seems to be a lesson here. On the strong evidence presented by the academics it is that Canadians generally love to retain many a clichéd (in this case negatively blinkered) view of the onetime adversary. But it is equally apparent that Germans retain (and even nurture) a distorted conception of Canadian reality. They choose to disregard the transformation of Canada into a modern industrial state, just as Canadians stubbornly refuse to acknowledge the emergence of a strong, reliable European ally, which has much to contribute to further development on this side of the Atlantic.

The whole discussion might have benefitted from participation of Canadian business executives who, in some cases, have developed impressive connections in Frankfurt and Dusseldorf, Hamburg and Munich.

Josh Moscau is an Ottawa correspondent for the CBC's Radio Canada International.

More on South Africa

by Steve Godfrey

Canada and South Africa: Challenge and Response edited by Douglas G. Anglin. Ottawa: The Norman Paterson School of International Affairs, Carleton University, 1986, 64 pages, \$6.00.

Southern Africa in Crisis: an Analysis and Bibliography by Timothy M. Shaw. Halifax: Centre for Foreign Policy Studies, Dalhousie University, 1986, 48 pages.

Canadian activism — official and public — on Southern Africa has never been greater than today and these two short monographs are welcome Canadian contributions to the complex issue of apartheid, and how to deal with it.

Tim Shaw's compressed essay is partly an appeal to his academic peers to delve deeper into the economic relations which explain why the independent states of Southern Africa can simultaneously be in a virtual state of war, while trading extensively with South Africa. Shaw takes us into the heart of this extraordinarily complex region by emphasizing the way in which class and economic structures rooted in history cut across the lines of race and state. Genuine regional cooperation can only emerge when the regionalism defined by South Africa's economic and military supremacy is replaced in a post-apartheid society. Shaw's useful bibliography is selective, but from an important Canadian center such as Dalhousie we could in future expect in a bibliography a section on Canada and Southern Africa to recognize the growing corpus of material on this topic.

Challenge and Response is an account of a much fuller debate about the prognosis for apartheid as a system of racial and economic exploitation. It was conducted by two distinguished academics working in Canada, Dan O'Meara and Heribert Adam. Both agree that in the mid-eighties the South African government is facing a fundamental challenge quite different from that of Sharpeville or Soweto in previous decades. Their radically different analysis of what next, however, provides a highly instructive insight into the policy options which Canada faces in the region.

O'Meara argues that the current crisis is terminal for the apartheid system. His catalogue of the psychological, economic and political defeats suffered by the Nationalist Party since the crisis began in 1984 describes an Afrikaner society at a dead end. The Nationalist Party has no political response capable of mobilizing the white population to meet the combined challenge of black resistance, economic stagnation, the fracturing of white politics and the steady growth of external pressure. The only response left is the application of even greater doses of violence and repression. The formidable strength of South Africa's security apparatus will be the measure of how long it takes for white minority rule to be replaced, and at what human cost.

Heribert Adam, on the other hand, starts from the assumption that the main trigger of change is the self-interest of the white population, since he believes that white rule is entrenched into the next century. Apartheid is incapable of meeting the needs of a modern industrialized economy, and capitalism — the business community — is the most likely force to displace apartheid. In this scenario, reforming capitalists team up with black labor unions as a stabilizing and workable reform bloc and the political stalemate is broken by universal suffrage to an assembly which, under the watchful eye of government, negotiates a new constitution. Adam's essay is rich in observation of the contradictions in South African society, but provides a one-dimensional view of the ingredient which, Shaw and O'Meara argue, has made this moment so different in South African history — the depth and strength of black opposition. His reduction of the African National Congress which "to all intents and purposes represents an aspiring and hitherto excluded middle class," mocks the history of the founding movement of African nationalism and is quite inaccurate. This assertion that "race constitutes an invidious distinction that can be discarded when it becomes dysfunctional" would be met with incredulity in the townships and homelands where the apartheid system has been "dysfunctional" for South African blacks for two generations, without mitigation.

Steve Godfrey is Program Officer for Southern Africa at Inter Pares in Ottawa.

Letters to the Editor

Sir,

In his review, "Misunderstood Security" (May/June, 1987), of our book, *Canada and Collective Security: Odd Man Out*, Professor Peyton Lyon demonstrates that his thinking about Canadian defence policy is frozen in the Cold War and distorted by an infatuation with political symbolism.

In our book on Canadian defence policy, Professor Joseph Jockel and I argued that Canada's military posture was likewise still frozen in the Cold War because Canadian governments feared that to change any part of it would undermine Ottawa's political standing amongst allies. This attitude, combined with chronic under-funding of defence, has resulted in a glaring and growing gap between Canada's commitments and capabilities to the point where none of its contributions to collective security were militarily effective. Our book argued that Canada owes whatever influence it has within NATO to the skill of its diplomats rather than to its military contributions to collective security. We also pointed out that Canada has had very little influence on major NATO decisions.

Professor Lyon would have Canada continue to concentrate its efforts in Germany rather than on "peripheral fronts," which to him include not only Norway, but Canada and the high seas. The German commitment must be maintained at all cost because it is only by being in Germany that Canada can deliberate upon the "destiny agenda" of international security affairs and influence the policies of the major powers. According to Professor Lyon, it is not even important that this military commitment "make sense" for Canada to use it to buy influence, "but rather that it be what the allies most cherish," a "token" of our solidarity.

Professor Lyon found it shocking that we would dare to criticize Canada for not pulling its weight in NATO, as well as our suggestion that if all else failed and Canada did not improve its posture, the alliance might be justified in excluding Canada from certain allied roles. Canada, according to him, has nothing to be ashamed of and still merits the trust and confidence of its allies. Canada should especially not blush

Letters to the Editor

before the US defence effort because it sacrificed much heavier proportion of its manhood in the two world wars and because, in any case, much of the US defence expenditure "is for arms and adventures that most Canadians deplore."

But, of course, Canada has been shirking its share of the collective defence burden. The White Paper openly admitted this. Professor Lyon might still believe that Canada can rank only above Iceland and Luxembourg in terms of the percentage of gross domestic product devoted to defence and continue to be taken seriously and have its contribution "cherished" by allies. Unfortunately nobody else, not even the Canadian government believes that anymore.

Professor Jockel and I intended our book to be controversial. We regret, but are not surprised, that Professor Lyon was so upset by its contents. It, after all, challenges years of stale thinking about Canadian defence policy.

Joel J. Sokolsky
Royal Military College of Canada
Kingston

Sir,

In reviewing *Canada and Collective Security: Odd Man Out* (International Perspectives, May/June 1987) Professor Peyton Lyon is, of course, entitled to express his views, even though, I believe, they are antiquated, often unproven and today thoroughly inadequate as a basis for making defence policy. But Professor Lyon is not entitled to slur by inference my co-author, Professor Joel J. Sokolsky. Professor Lyon writes in his review that "Professor Sokolsky is a Canadian who, before his return, studied and taught in Washington — perhaps too long." The implication of this nasty little remark is that Professor Sokolsky has become Americanized and that *Canada and Collective Security: Odd Man Out* reflects a Washington perspective.

As an American, I recognize the old trick, which has been featured far too prominently in the Cold War history of my country, of calling into question the patriotism of fellow citizens. Up until now I had always believed that — most fortunately — Canadians had by and large avoided such an approach in debates over their public policies.

The notion that our book reflects a Washington perspective is patently false. Much of what we advocate is anathema in US policymaking circles. We pointed out that Canada needs to devote more resources, especially maritime resources, to the protection of its sovereignty. We called for the allies to have a new understanding for Canada's special sovereignty concerns. Try selling that to the Pentagon! We argued for a pullout of Canadian forces from Germany and for an intensification of the Northern Flank commitments. Just ask the ever-cautious State Department for its reaction to such an idea!

That *Canada and Collective Security: Odd Man Out* has proved controversial is not surprising. It is deeply, even harshly, critical of Canadian defence policy and of the policies of the allies towards Canada. That it provokes debate is welcome. But let's keep the personal attacks out of it.

Joseph T. Jockel
St. Lawrence University
Canton, N.Y.

Sir,

In the article "Mr. Beatty's Dilemma" in the May/June 1987 issue, C.G. Gifford incorrectly characterizes the position of a "strategic studies expert" as trying to persuade the public that air launched cruise missiles (ALCMs) are designed to carry conventional warheads (p. 11). This is a misapprehension on Mr. Gifford's part and one which I thought had been clarified in a conversation last year. All persons working for the Strategic Studies program and indeed all persons who are fully aware of the facts of the cruise missile program, have stated that cruise missiles, ALCMs included, are designed to carry a variety of warheads — nuclear, conventional, chemical and reconnaissance. In the strategic role, those ALCMs aboard B-52s will in all probability be of the nuclear variety. Of course, the test versions of the ALCMs flown in Canada carry no warhead at all, using a dummy weight instead.

W. Harriet Critchley
Director
Strategic Studies Program
University of Calgary

Sir,

I read C.G. Gifford's article on how Canada can assure its proper defence while carrying out independent, non-nuclear policies ("Mr. Beatty's Dilemma," May/June 1987) with great interest. While I generally disagree with many of the ideas expressed in the piece, only one of these ideas really worries me.

Mr. Gifford cites a number of examples of military figures who, in his words, "refused to be a cog in a race to oblivion" by taking public stands against nuclear weapons in conflict with their national governments. He then calls for "career and political bravery" on the part of the military establishment in denouncing nuclear weapons. I feel that he, in essence, is calling for the politicization of the armed forces. While an idealistic goal like global and multilateral nuclear disarmament may serve as a noble, if naive, focus for such political activity, who protects us from military politicians if their ideas do *not* conform with those of the mainstream of society? Didn't Colonel North and Admiral Poindexter place their careers on the line for what they thought needed to be done to support the contras in Central America, even if it contravened US law? Or the French colonels in pre-independence Algeria? Or all the colonels and generals in charge of military dictatorships around the world who feel law, order and stability are more important than individual liberty and freedom of opinion and expression? Given the generally poor record of military politicians with regard to domestic issues like economic development and tolerance of non-violent dissent, why should they do any better dealing with foreign affairs questions?

In spite of the military's critical role in a democracy to defend and, if required, fight to protect, its values and practices, the military *must* be controlled by democratically elected officials. While the hierarchical, authoritarian nature of the military does prepare it to win battles and wars, it was *not* meant to deal with concerns of the majority, or even those of a vocal minority, in any issue.

Tony Prudori
Thunder Bay, Ont.

International Perspectives

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Suez 1956 reappraised

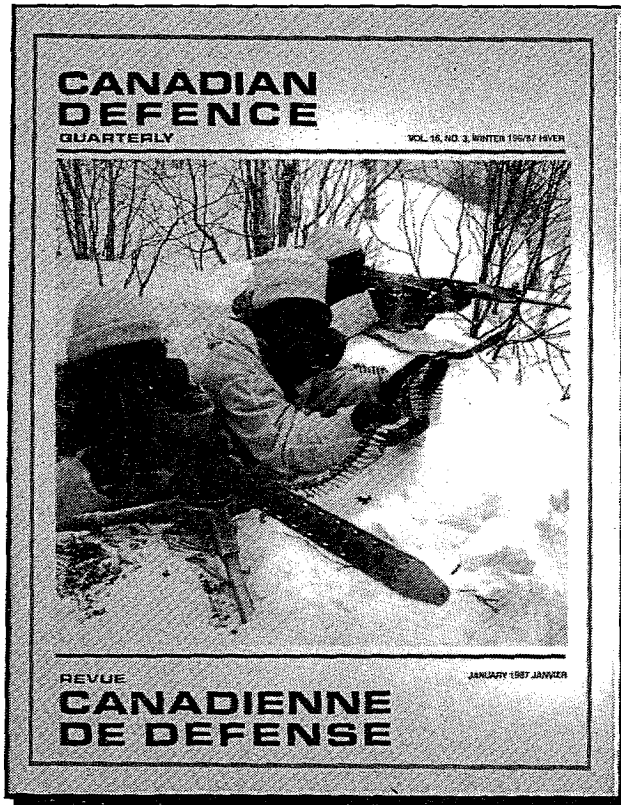
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Editor's Note:

Reviewing history is not something that this journal often gets into, but when things happen that change the data we have always accepted, then one is into grounds for reexamining policy. The Suez crisis happened thirty years ago — just long enough for those national archives in some key countries to be opened. Michael Fry, once at Carleton University, now Southern California — has dipped into some of those hitherto closed files, and — with the help of Escott Reid's memoir of the period — offers some new interpretation. In a not-unrelated article, James Graff of Victoria College, Toronto, examines the background of the Arab-Israeli conflict. He finds that there may be something to be hoped for from an international peace conference. And continuing at the looking-back-at-the-mistakes pitch, two historians from the University of Waterloo examine the way world agriculture got itself into such an awful mess, and how Canada's victimization followed.

Still at the level of horror stories (mankind manqué), we have a new look at international terrorism, and at a new weapon of resistance. Its name is "compellence," and we saw it best in the US attack on Libya. Michael Wallack of Memorial University develops the theory.

The two greatest experiments in communism are now experimenting in reverse. In both the Soviet Union and China initiatives are now underway that communists and non-communists alike must see as pretty non-communist. So if yesterday's counter-revolutionary is today's revolutionary, there may still be a way to claim orthodoxy. But be careful. Gordon Boreham of the University of Ottawa is an economist who has twice visited China to look into how they run their production and distribution. On the second trip he found huge differences and new directions. In the USSR perestroika is (so far) in full flower, and Lansing Lamont, a recent visitor, sees it as a battle of wills — the will to do something against the will to do nothing.

Finally, if you glance to the left, you will note a changed Masthead. That is our earliest indication of new ownership. You'll hear more from the new proprietor in Toronto in the next issue of IP.

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Suez reappraised

by Michael Fry

*This article is a reappraisal of the Suez affair of 1956, of Canada's role in that affair and of Escott Reid's involvements from India, where he was Canadian High Commissioner. Mr. Reid writes of that in his new book **Hungary and Suez 1956: a View from New Delhi**, published in 1986 by Mosaic Press of Oakville, Ontario.*

Michael Fry, who is Professor of International Relations at the University of Southern California in Los Angeles, notes:

The author gave Escott Reid modest assistance. With characteristic generosity, Mr. Reid described him in the acknowledgments as his historical adviser. The author is involved in the Suez project organized by the Middle East Centre, St. Anthony's College, Oxford, and the Wilson Center, the Smithsonian Institution, Washington. Several of the conclusions presented here come from that project, which involves an international group of scholars and practitioners.

The public records of Britain, Canada and the United States for 1956 began to open in January 1987; the French promise an official volume of the Suez crisis within the next two years. Participants and scholars on both sides of the Atlantic, and of the Canal, sense that it is time to reassess the conduct and consequences of the Suez affair.

Canadian policy was developed and implemented, essentially, by the Department of External Affairs, led by the Secretary of State, Lester Pearson. Within the department, Jules Leger, John Holmes, Marcel Cadieux and G.C. McInnis carried weight. Abroad, Pearson was served by a galaxy of trusted friends; Arnold Heeney in Washington, Norman Robertson in London, Escott Reid in New Delhi, Dana Wilgress at NATO, the still controversial romanticist and humanist Herbert Norman in Cairo and Beirut, and R.A. MacKay at the UN. General E.L.M. Burns commanded the UN Truce Supervisory Organization in the Middle East. Pearson was well served from Paris and Tel Aviv, less so from Moscow.

Pearson was generally liked and respected abroad. He was a pragmatist on Middle Eastern affairs, but with a marked preference for Israel. This set "Rabbi" Pearson apart from opinion in the Defence Department. Canada did not have an elaborate Middle East policy in 1956. A deep concern over refugee and relief matters, involvement in the maintenance of the armistice agreements, and a willingness to play a modest, stabilizing role in arms transfers (the central question being the sale of F-86 jet fighters of Israel), complemented a belief that incremental, confidence-building measures, both political and economic (the mirage of

functionalism), would help bring about a settlement of the Arab-Israeli dispute. That settlement must involve both the United States and the Soviet Union. The St. Laurent government accepted the fact that the West faced a new phase of Soviet activism in the Third World generally, and in the Middle East in particular. It seemed futile to ignore Soviet influence with the Arab states, secured by arms and economic assistance, and exercised reasonably in 1956, and it seemed irresponsible to allow her to maneuver unchecked. Specifically, the West should secure Soviet agreement to an arms control policy for the Palestine region which neither undermined the Baghdad Pact and weakened Iraq's ties to the West, nor left Israel vulnerable to Egypt's newly-acquired bomber force. Canadian officials doubted that the Baghdad Pact constituted a barrier against communism and may have actually prompted increased Soviet penetration of the region. President Nasser remained a critical but inscrutable and enigmatic factor.

Canada fashions its view

The United Nations was pivotal in Canadian thinking. The incremental steps to promote a Middle East settlement and the agreement itself should be pursued under UN auspices. Should a crisis result in war in the Middle East, UN action, as in Korea, would halt it more effectively than seeking to implement the Tripartite Declaration of 1950. Much would depend on the policies of Britain and the United States, and on the extent of their cooperation. Thus, the acid tests for Canada in a Middle East crisis would be whether it was handled through UN procedures and whether it damaged the Atlantic accord. The preservation of Commonwealth and NATO unity provided the other measures of significance. Properly managed, a Middle East crisis should not result in a regional or global war. In adopting these views, the St. Laurent government did not feel that it was in any way seriously at odds with the British or United States governments. Eden, for example, though more sympathetic toward the Arab states than toward Israel, seemed committed to generally sensible, reasonable and cautious policies, to the Atlantic alliance and to UN processes. He had handled Cyprus badly, but Egypt well. Eden's subsequent behavior thus seemed all the more incomprehensible and unjustifiable.

To understand Canadian policy in the reactive phase, from July 26 to late October 1956, one has to know exactly what Pearson and his colleagues knew about British policy and the subtleties of Anglo-French relations, and about United States policy and the intricacies of Anglo-American relations. Canada's national interests were not directly affected, as were Britain's, by Nasser's dramatic, deplorably unilateral but legal act of nationalization on July 26, 1956.

Britain's consultation with Canada was initially prompt and frank. It demonstrated, however, that wide and sharp differences between them were unavoidable. Norman Robertson's position was increasingly difficult; by the end of October it was almost impossible. He saw Eden's policy as deliberate and calculated, not the result of ill-health or panic, and as the product of a deeply-flawed decision process in a divided cabinet. He reported on an almost unrelieved record of Anglo-Canadian discord. The British view of the act of nationalization and its compatibility with the crafting of an international regime for the Canal, of Nasser personally, of the wisdom of economic sanctions, of the role India and the Soviet Union could play, and most fundamentally, of the relationship between the threat of force and diplomacy and of the wisdom of the ultimate use of force, with its acknowledged corollary of bringing Nasser down and not merely to heel, all ran counter to the Canadian view. At the same time, Canada did not regard Anglo-French diplomatic preferences as optimal, regretted the refusal to negotiate with Egypt, and deplored their failure to use, and then their attempt to abuse, UN procedures, which gave the moral highground to Egypt, left open the possibility that Egypt and the USSR could indict them in the Security Council, and, most irritating of all, actually alienated the United States. Pearson's assumption, that using the UN to solve the dispute and maintaining Anglo-American accord were mutually consistent goals, was unfounded.

Canadian influence nil

In the first weeks of the Suez affair, Canada was undoubtedly well-informed of Anglo-French policy. Pearson did not like what he heard. London knew where Ottawa stood, particularly on the use of force. Eden, on August 17, wrote that Robertson's view was "far worse than anything the US government has ever said," and, in the hope that Pearson thought differently, that "I see no advantage in asking Robertson his opinion anymore." Robertson's sources of information, public and private, official and informal, from the Foreign and Commonwealth Relations Offices and the Joint Intelligence Committee, did not dry up. Pearson, in Ottawa and at NATO meetings, received many reports and was privy to a variety of assessments and points of view. At that level the Canadian government understood the issues. But it was effectively shut out from developments in Anglo-French relations, their military planning and ultimately from the collusion with Israel, and so were many of Eden's colleagues. In late October 1956, Pearson was concerned lest Israel strike at Jordan. In any case, he had failed entirely to influence British policy, though to be sure, Eden's conduct represented the triumph of an *idée fixe* over the evidence.

At the same time, Pearson had every reason to believe that the Eisenhower administration shared many of his views, for reasons that went beyond the political calculations of an election year. Eisenhower and Foster Dulles were opposed to the use of force and recognized that Eden and Prime Minister Guy Mollet of France were deadly serious about its use unless Nasser capitulated. They had no doubts about the impact on Atlantic and Commonwealth unity if force were used, and felt that a real threat to Middle Eastern and world peace existed. Dulles also, like Pearson, looked to the NATO allies to restrain Britain and France and to promote a negotiated settlement via the first London conference. But neither Dulles nor

Eisenhower had ruled out force irrevocably, their reservations were not total, and their sympathy for Britain and anti-pathy toward Nasser were well known. The record of Dulles's dealings with Britain from July to October demonstrates how Eden, with some wishful thinking, could find more than ambiguity in America's posture. But Pearson's sense that he was very much in step with Dulles was justified, even though the nuances of the Anglo-American relationship were not always understood. Furthermore, the economic and financial dependence of Britain on the United States evoked a reassuring axiom: sanctions are more effective against one's economic partners than one's enemies. If Canada could not influence Eden's policy, as Dulles hoped, then surely the United States could deter Britain from folly.

The negotiations in the Security Council, and among the three foreign ministers, Selwyn Lloyd, Christian Pineau and Mahmoud Fawzi, from October 5 to 13, brought the Suez affair to within distance of a negotiated settlement. But the act of collusion among Britain, France and Israel had begun at Sevres on October 22. On October 29, 1956, Israel attacked in the Sinai. On the following day, Britain and France issued their discriminatory ultimatum to Egypt and Israel, and on November 1 began bombing Egyptian airfields.

All that Canada had feared had come to pass — aggression against Egypt snatched out of negotiation, Anglo-American relations in serious disarray, the unity of the Commonwealth in jeopardy, important loyalties and friendships strained by anger, moral outrage, confusion and disillusionment, the UN flouted and even abused, and an opportunity handed to the Soviet Union, all made worse by flimsy excuses, pathetically weak explanations and the fact that collusion required further deception.

Pearson emerges

The fact that British and French vetoes handcuffed the Security Council on October 30 and 31 gave Pearson an opportunity to play a major creative role in New York from November 1, working with Dag Hammarskjöld. There were four issues which extended the crisis to April 1957: first, to bring about a cease fire; second, to secure the withdrawal of British, French and Israeli forces from Egyptian territory; third, to clear the Canal; and fourth, establish a regime for the operation, maintenance and improvement of the Canal. Pearson involved himself with them to serve six purposes: first, to ensure that Hammarskjöld did not resign as Secretary General of the UN; second, to see that the procedures of the General Assembly were used effectively and responsibly to contain the crisis and secure a settlement, and that anti-Western measures, invective and propaganda were kept to a minimum; third, to organize a novel form of emergency peacekeeping which become the UNEF scheme; fourth, to ensure that Anglo-American estrangement, deep, personal and bitter as it was, should be as temporary and benign as possible; fifth, to see to it that Israel complied with the UN resolutions but was not pilloried, that her complaints were not dismissed and that her legitimate security needs were not ignored; and finally, to handle the Suez affair imaginatively, as an opportunity to pursue a settlement of the Arab-Israeli dispute.

Pearson earned his triumph in that period between November 1956 and April 1957. But, without at all defacing the monument, a certain cautious revision must be aired,

beyond the fact that he had failed entirely to influence British policy before November. Pearson enjoyed the confidence of the Prime Minister, Louis St. Laurent, who was unassuming, informed, sympathetic to many Afro-Asian aspirations, but conscious of Canada's Atlantic heritage, and by no means unimportant in foreign policy. Canada's behavior in 1956 may well have been different had MacKenzie King still been Prime Minister. St. Laurent and Pearson were close; there was respect and a convergence of views. St. Laurent gave Pearson wide latitude; Pearson could count on St. Laurent's support.

Hail peacekeeping!

That was critical as Pearson experimented with the peacekeeping scheme to create the UNEF. The original idea was Pearson's, but Eden sold him on wrapping the Anglo-French invasion force in the UN flag, and only US intervention ensured that the international police action would be carried out by a genuine UN force. A Canadian concept and draft proposal went to Washington. It produced an American draft resolution which became the "Canadian" resolution (A/3276), which Pearson introduced and linked skillfully to a 19-power Afro-Asian resolution proposed by India. Both were adopted by the General Assembly in the early hours of November 4.

There is no doubt that Pearson, Heenev and the Canadian delegation at the UN played a role in bringing about an Anglo-American rapprochement. That role must not be

exaggerated. Moreover, Canadian efforts were not only sometimes misunderstood, but also regarded with a certain irritation. British officials did not need reminding that Canada had helped save Britain and France from their errors. Indeed, Canada tried to serve many causes and mend several fences; her officials saw all sides of every issue. And, as Dulles had always said, "Mike" was torn between loyalty to the West and his desire to be its problem-solver-in-chief. Finally, his role in the proposed sale of F-86 jet fighters to Israel hardly improved Canada's image of standing independently between Jew and Arab. Pearson's justification, in the disappointing second volume of his memoirs, lacked credibility.

Reid in Delhi

Escott Reid is no stranger to revisionism. His splendidly readable, carefully crafted memoir-monograph adds two important dimensions to the story. First, he explores the interrelationship between the Suez and Hungarian crises, and in a convincing and suggestive, if not exhaustive, way. The possible relationships are important: did Suez make the Soviet military suppression of the Hungarian revolt more likely and less dangerous; did the Hungarian crisis facilitate the Anglo-French-Israeli act of collusion and thus their aggression against Egypt; and did Suez rob the West of the moral high ground and severely limit its range of responses to

National Archives, Ottawa



Escott Reid and Lester Pearson contemplating globe

the Hungarian crisis, in and outside the UN? In the longer term, what were the consequences of Soviet and American conduct in 1956, their indictments of each other and their efforts at self-justification? The US had stood firmly on principle over Suez but had its hands tied in relation to Hungary; the Soviet Union had championed Egyptian sovereignty and "saved" Hungary from fascism. Escott Reid's book is a point of departure for the exploration of such reasoning.

Second, and expanding on his *Envoy to Nehru*, Escott Reid shows how he was sometimes ahead of Pearson and yet complemented the attempts to manage Afro-Asian opinion in the General Assembly. Pearson understandably paid particular attention to Krishna Menon and Arthur Lall because of India's standing in the nonaligned movement and the Commonwealth, and her influence at the UN and with Egypt. Throughout the emerging crisis, while avoiding public identification with the various Menon initiatives, Pearson attempted to keep India in step and to avoid the dismissal of her views by Eden and Lord Home, who matched each other in their contempt for what they saw as Indo-Egyptian collusion. Escott Reid's task in New Delhi was to convince a stubborn and reluctant Nehru to influence Nasser in a positive way, to make a more responsible and credible response to the Hungarian crisis despite his anger over Suez, to drop his double standards for judging Suez and Hungary, and to continue to collaborate with Canada despite their differences. Pearson, for example, never indicted Britain and France publicly for violating the Charter. Menon, the self-ascribed champion of Egyptian sovereignty, wanted sanctions brought against them. Finally, Nehru must be persuaded to join in the rebuilding of Commonwealth rapport and be shown how desirable it was that he restore relations with the West through the good offices of President Eisenhower. These were formidable tasks to be attempted in dramatic and critical circumstance, made more difficult by Nehru's remarkable loyalty to Menon. Escott Reid's book, written with fire in the belly, with skill, insight and a delightful personal touch, is a distinct success. It is, in fact, more convincing than any work to date by Indian scholars on this remarkable episode in Nehru's career.

The consequences of the Suez crisis reach out to the present, although it is not always easy to distinguish between trends that were set in motion as opposed to being merely accelerated. Escott Reid sees 1956 as a climactic year, a turning point, and he likes the might-have-beens of history. But there are occasions when history forgets to turn.

Post-Suez Nasser

In the Middle East, patterns of great significance were established. Nasser, young and inexperienced, having followed the Israeli example of seeking influence through Czech arms, had thrust upon him degrees of adulation, status and prestige, and faced challenges and opportunities of such magnitude that they were beyond his and Egypt's capacities. Before Suez his goals were modest and attainable. His preoccupation was with domestic reform. He had settled with Britain on the Canal in 1954 and had relinquished the Sudan. He was, until March 1956, entirely acceptable to Britain and the United States, if not to France. After the Suez crisis, Nasser embarked on a more dramatic domestic course. Egypt ran its new asset, the Canal, effectively. National planning,

state control of the economy, industrialization and greatly enhanced economic ties with the Soviet Union, while resulting in domestic tension, gave Egypt a new image. Her military power increased. Nasser himself became the preeminent leader in the Arab world with unquestioned legitimacy. Nasserism interpreted Arab nationalism; Pan-Arabism made local, national and dynastic concerns far less relevant. He went on the offensive, sometimes against his own better judgment, from the Yemen to North Africa. Inter-Arab relations and the Arab-Israeli conflict took much of their cadence from the fate of the United Arab Republic, the union with Syria in 1958, and Nasser's career. He became the Arab champion, an international figure of consequence, setting the standards for dealing with the USA and USSR, and showing how to play them off against each other.

Post Suez Israel

The Suez crisis confirmed that Israel was a permanent reality, a major factor in the Middle East with legitimate security needs. Her identification with the West, and then with the United States, was forged in the aftermath of the 1956-57 crisis. Israel was fortunate that United States anger was directed mainly against Britain and France. It was the last occasion when she had to risk serious US opposition. These developments meant that the regional balance of power, never in Israel's favor, was almost irrelevant. Israel became the principal ally of the United States and a factor in her domestic politics; the United States became the principal supplier of Israel's arms. With a decisive margin of superiority in key weapons systems, and able to rely unfailingly on Arab disunity, Israel could seize the initiative and largely dictate the patterns of events. Thus, while Suez marked Israel as the tool of imperialism and a client state, and identified Zionism with colonialism in Arab rhetoric, Israel became the least constrained state in the international system. Israeli leaders were and are committed realists; the function of the state is to secure, conserve and dispense power. Thus, they were in 1956, and remain, willing to do whatever is required, including territorial expansion, to preserve national security. Quite predictably, these policies have produced vigorous domestic debate as to whether Israel, between 1948 and 1967, missed several chances to secure peace or whether the only issue was when wars would be fought and whether they would be wars of choice or unavoidable. In 1956, this debate was between the so-called Moshe Sharett and Ben Gurion schools; Menachem Begin returned to it in 1986. Whatever the evidence, one day Arab dignity must be restored if there is to be peace.

These consequences, focused on Egypt and Israel, had further regional repercussions. Arab politics in Syria, Iraq, Jordan and the Lebanon, were radicalized. The Palestinian question was transformed from a humanitarian one, largely a matter of refugees, to a political one with territorial and strategic implications. Palestinian nationalists looked to Egypt and then developed a separate identity from the mid-1960s. Nasser took up the Palestinian cause and encouraged its militancy. The Arab-Israeli issue thus became an interstate regional conflict, which bred a pattern of war and successive, predictable, Israeli victories.

Arab alienation

The Arab states refused in effect to deal further with Britain and France; their clients in Iraq and Jordan were finished. Thus, the venerable debates in London and Paris about managing an imperial heritage and dreams of appearing to be, as in 1956, anti-Nasser but pro-Egypt and pro-Arab, were ended. France, the driving force of Anglo-French error in the Suez crisis, reacted particularly negatively, indicting the UN, leaving NATO, deriding Britain as a tool of the United States, espousing Gaullism and vacating North Africa. The Middle East, as part of the less developed world, was confirmed as an area of Soviet-American competition. The trend had emerged in 1955, although Soviet-US cooperation was still an open issue at that time. It was strengthened by Suez, as Western folly provided the Soviet Union with fresh openings in the Arab world. In one sense, the Soviet Union made a serious error to break with Israel, but as least her policies could be made to seem straightforward. The contest was to win influence in the Arab states, with Egypt as the key and arms and economic aid as the tools. The Soviet Union took a seemingly commanding lead in the 1960s. The United States, in contrast, wrestled with several dilemmas: to force Israeli compliance with UN resolutions on the cease-fire in November 1956 and the withdrawal from Egyptian territory in 1957, and yet to make limited commitments to her, for example, on the Tiran Straits; to discover the parameters of a "balanced policy"; to decide when to guarantee Israel's security; to elevate a moderate Arab state in place of Egypt, with Saudi Arabia being Eisenhower's choice; to develop a sincere interest in the Palestine question; to construct credible policy initiatives; and to replace the Baghdad Pact while carrying her Western allies with her; and to accomplish those ends while pursuing more sharply defined US interests in the Middle East, under the now clear assumption that a Middle East crisis could escalate into a global war. It is not surprising that these predicaments have produced more Presidential doctrines than settlements, a sense that the United States is ill-equipped to lead, and a sustained debate over whether external intervention can ever be conducive to peace in the Middle East. Perhaps solutions must emerge from within the region itself.

Creative salvage

The Suez crisis had little effect on the Commonwealth; fears of its collapse were, in retrospect, quite exaggerated. Pearson felt, however, that the UN could build on its undoubted successes in the Suez crisis, take the lead alongside the United States in settling Middle East problems, and secure a central role in the management of the international system, in a nuclear, anti-colonial age when the use of force was the fundamental problem. Eisenhower tended to agree — and pro-UN policies were certainly good politics. Britain, France and Israel dissented. The debate focused on several questions: would the powers strengthen the organization and use its procedures while not overburdening it by asking the UN to achieve the improbable; its rules of the game and powers of adaptation were not substitutes for normal diplomacy but could they at least be a complement and perhaps in certain cases decisive? Hammarskjöld's performance during the Suez crisis had been flawed but remarkable, and thus could the Secretary General be used in the future in ways that did not overburden him and undermine the prestige of his office? The Security Council was an imperfect instrument and had lost influence to the General Assembly, but what balance of power should be struck between them? Could the General Assembly serve the interests of the West as fully as it did those of the Afro-Asian states and the Soviet bloc, or was it merely "an institution for the organization of collective chaos" which one day would find its *raison d'être* in voting against Israel and the United States? Could the United States and the USSR combine to make the UN effective and would Britain and France cooperate or work actually to undermine the UN's influence? R.A. MacKay, from New York, at least saw Canada's challenge clearly:

Whether we like it or not our role in the Middle East crisis has come to be regarded as a stabilizing element and people here have come to regard Canada as a leading force in the important and difficult task facing the UN and the world in the Middle East.

With my genuflection to John Holmes, middle powers harbor such views before they become middle aged. □

New NATO role for Canada

by Paul George

It is of little surprise that the prodigious attention given to the question of Canadian defence policy in the last few months has highlighted the basic discord over what should be the future course of Canada's defence policy. Unfortunately, the apparent incompatibility of the Conservative White Paper *Challenge and Commitment*, and the response of the New Democratic Party to it, *Canadian Sovereignty, Security and Defence*, threatens to impede an otherwise healthy debate on the defence needs of the country. Nevertheless, it is possible, within the context of both policy papers, to discern some common directions which would be well worth pursuing in the interest of a credible Canadian defence posture. The outcome need not be a zero-sum solution; rather, an alternative course for Canadian defence policy can be proposed which will balance the requirements of alliance membership with the indisputable domestic political need for a defence policy which clearly serves Canadian interests.

Despite the obviously different approaches to the question of Canadian defence, there is an unexpected degree of harmony in both policy papers. For instance, both publications fail to deal adequately with that perennial dilemma of Canadian defence policy: the Commitment-Capability Gap. On one hand, Mr. Beatty's case for amalgamating Canada's NATO roles in Europe is far from convincing. The argument that Canada has "insufficient strategic transport," as well as medical support formations, to meet our commitments both in Norway and Germany is a compelling one. However, no evidence is offered to suggest that Canada would be any better able to meet the requirements of only one sea line of communication if, as is declared, the commitment to Norway is dropped. Indeed, as much is admitted in the White Paper where it is stated that, "Consolidation will reduce, although not eliminate, the critical logistic and medical support problems posed by our current commitments." The Atlantic remains a formidable barrier and the advantage will always lie with the forces wishing to interdict passage across it.

NDP proposal

On the other hand, the NDP would take the consolidation process to the extreme and bring Canadian troops home to meet Canadian "sovereignty and security needs." Mr. Blackburn's (the NDP defence critic who released the document) argument that the Canadian forces stationed in Europe are "simply expensive symbolism" lacks conviction, for surely the same argument could be applied to the NDP's

policy aspiration. Would it not also be expensive symbolism to maintain an army in Canada, when there is no credible threat to the country, and even if there were one, the force available would be insufficient to meet it anyway? Within the needs/resources matrix, however, the implications of these disparate positions present more substantial problems.

Mr. Beatty's continuing commitment to a Canadian land force in Europe will necessitate the purchase of new tanks, more transport and fighter aircraft, and a considerable financial outlay in logistical and infrastructural improvements. Similarly, the NDP proposal to assume total responsibility for the conventional defence of the northern approaches to the continent ("excluding Alaska"), suggests an enormous investment in capital equipment and manpower. In short, the Commitment-Capability Gap would have come full circle; both policy papers retain enormous obligations for the Canadian forces, both would place serious strains on the proposed force levels and both would be very expensive for Canadian taxpayers. Most importantly, neither position proffers a distinctive defence role for Canada within the spatial context of our northern geography.

Time to reassess

There is no question that it is time to reassess the relevance of having Canadian forces stationed in Europe. As the NDP policy paper puts it: "Western European countries have rebuilt their economies and possess strong defence capabilities." However, it is a long way from that reality to argue, as the NDP does, that "Canada can now make a more effective contribution to peace and security outside of NATO." The NDP position is simply unrealistic. Not only does it go against the historical reality of Canada's dependence on collective security arrangements, it disregards the myriad intangible benefits that alliance membership gives us. Having a seat at the NATO table not only allows Canada to influence events of direct concern to its security, but more significantly it serves to balance what might otherwise be an overbearing US influence on our national affairs.

Few would question the significance of the political gesture manifested by the presence of Canadian forces in Europe. On the other hand, it is difficult to counter the NDP argument that "The stationing of one Canadian brigade and some CF-18s in Europe is no longer militarily significant." Plainly, the military contribution our forces make to overall NATO strategy is minor. Whereas there is no doubt of the veracity of Mr. Beatty's conviction that "Canada's security in the broader sense is inseparable from that of Europe," it does not follow that this necessitates the permanent presence of

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Canadian forces in Germany. Moreover, the present deployment of our forces, as an appendage to the greater US presence in southern Germany, does not even give Canada the satisfaction of having an explicit role to play in NATO defence policy — something which, if nothing else, the commitment to Norway did achieve. What is required, therefore, is some form of Canadian participation in NATO which will give Canada a clearly recognizable and “meaningful” role in the alliance. Fortunately, both papers present a way to build towards a sound Canadian defence posture. Such a program would recognize the essential requirement of a Canadian presence in NATO, and yet would enable Canada to withdraw its land forces from continental Europe. Within the bounds of the needs/resources paradigm, Canada’s defence role should reflect the nation’s particular strengths and, at the same time, satisfy our NATO partners that we are committed to the principle of collective defence.

Defend the sea lanes

In recognition of the importance of the sea lanes to Canadian trade and security, both the Conservatives and the NDP propose to build up Canada’s maritime forces. Mr. Beatty states, “It is essential . . . that the vital sea lanes be maintained in order to resupply and reinforce Western Europe.” In turn, Mr. Blackburn acknowledges that, “an updated Canadian navy in our home waters could help protect the sea lanes to Europe.” Clearly, somewhere within this correlation lies the basis for a defence posture which will find support across a broad spectrum of political opinion in Canada. It also holds the key to assuaging the concerns of a Europe wary of any hint of a progressive reduction in the North American commitment to collective security.

Many defence commentators have presented a case for a greater maritime role for Canada within the NATO alliance. However, these arguments tend to be deficient in that they either propose to leave Canada’s ground commitments in Europe intact, or they consider the maritime role to be a sufficient NATO contribution in itself. Nowhere is it clear, however, that Canada’s best interests would be served by either scenario. In the first case, commitments would continue to strain capabilities; the second option offers nothing to persuade the European allies that Canada was not withdrawing to a sort of isolationist position, with all the implications that might have for US policy. Instead, the Canadian goal should be to define its defence commitments and capabilities in terms of the credibility of its contribution to the Western security system. An assessment of the geostrategic circumstances, which must override all our policy considerations, suggests that an enhanced naval capability, together with the development of strategically mobile forces, based in Canada, would be the most satisfactory vehicles to bolster Canada’s commitment to NATO in the eyes of our allies. At the same time, such an approach would satisfy the broadest range of Canadian interests.

Canada can count

It is axiomatic that control of the Atlantic sea lanes is vital to the security of Western Europe and the entire NATO alliance. Undoubtedly, the protection of high-value shipping, replenishing allied forces, would be the most critical of all military operations within the NATO alliance in the first few weeks of a conventional war in Europe. It would be hard to

find a more useful role for Canada. Canada’s recognized expertise in anti-submarine warfare and convoy escort duties should be the basis for a greater role for Canada in the defence of this crucial supply route. As a first step, Canada should acquire the capacity to deny control of the northwest quadrant of the Atlantic to enemy forces. In essence, in time of war, the Atlantic between North America and Iceland should become a “Canadian Lake.” This would require an augmented anti-submarine warfare capacity, on the surface, beneath the sea and in the air. In conjunction with these measures, an advanced minesweeping capability should also be developed. These are traditional maritime defence roles for Canada and are in keeping with a general direction outlined in both policy papers to modernize the navy.

Iceland crucial

The key to any successful strategy of sea-denial or sea-control in the Atlantic is Iceland. Its strategic location is as important to NATO resupply lines as it would be to Soviet attempts to interdict them. In a broader conventional war scenario, control of Icelandic airspace would also be vital to the protection of North America from enemy attack. It is not surprising, therefore, that Iceland figures prominently in the currently popular novel by Tom Clancy, *Red Storm Rising*. In the book, the Soviet Union occupies Iceland in the opening days of World War III. The superficiality of Clancy’s plot is less important than the implications of such a move in the event of a real conventional war in Europe. Historically, the strategic significance of Iceland has been recognized. The Germans had a plan to occupy Iceland in World War II; the British, with Canadian participation, secured it instead for the allies. The Americans subsequently took over from the British and under the terms of a bilateral agreement entered into in 1951, and renewed in 1974, remain Iceland’s protector today.

A full-blown Soviet invasion of Iceland is admittedly an unlikely eventuality. Nevertheless, the Soviets have many options open to them to severely compromise NATO’s position there. For example, Iceland is extremely vulnerable to the kind of sabotage that Soviet SPETZNAZ forces could deliver. Any interruption of the surveillance-gathering functions centered on Iceland would have profound implications in a general war. It would be an understatement to say that a Soviet occupation of the island would be a strategic disaster for the Western alliance.

US presence

The current US presence in Iceland consists almost entirely of service personnel involved with managing the surveillance functions associated with the NATO infrastructure on the island. These include P-3 Orion anti-submarine reconnaissance aircraft operating out of the NATO base at Keflavik, as well as the land terminals for the submarine detection systems (SOSUS) the US uses to track Soviet submarines in the North Atlantic. In addition, local air defence and long-range interception functions are carried out by a squadron of eighteen F-15 Eagle fighter-interceptors. Airborne Warning and Control System (AWACS) aircraft deploy on a rotational basis to provide advance notice of Soviet aircraft approaching Iceland’s Military Air Defence Identification Zone (MADIZ). There is no permanent land defence force stationed in Iceland which would be capable of repelling an invasion by conventional forces. In the event of a

Take over the North Atlantic

crisis, a Marine Amphibious Brigade from the eastern US is assigned to be deployed to defend the island. Clearly, there is considerable potential for Canada to take over much of the US defence function in Iceland.

The Icelanders, and the Scandinavian states, have been expressing increasing concern over the prospect of super-power rivalry spreading into the Nordic area. Therefore, it could also be suggested that a Canadian defence force might seem less intimidating than a US one to the people of Iceland. Not only is Canada "non-threatening," but as a country we share the Icelandic appreciation of the importance of national identity and have also experienced the fear of cultural assimilation in our relationship with the Americans.

Canadian surveillance

In specific defence roles, a Canadian squadron of CF-18s could replace the American Eagles, and Canadian Aurora aircraft could take over the submarine surveillance mission of the US Orions. It would be a logical next step to have Canadian-operated AWACs rotating among Iceland, Greenland and the Canadian Arctic. This would have the additional advantage of contributing to the defence and sovereignty protection of our northern regions. In terms of the land defence of Iceland, a compensatory commitment of Canadian troops would effectively release the Marines for duties in areas where the US is experiencing critical shortfalls in capability. Rapidly deployable forces, based in Canada and trained under northern conditions, could go far to ensure that Iceland would not be denied to the allied cause in time of war. Additional Canadian troops should also be assigned to the defence of key points in Greenland under similar circumstances. Such commitments would be within Canadian stra-

tegic reach, logistically, economically, and in terms of manpower. Moreover, our forces would be charged with the northern and maritime roles at which they excel and would be serving a vital NATO function.

No more tokenism

However, as credible as the strategic defence of the sea lanes to Europe and the defence of Iceland may be, these roles lack the essence of commitment that Canadian troops on the central front represent to the Europeans. Nevertheless, when Canadian lives are being put on the line we are justified in questioning whether Canada really has to maintain what are essentially token forces in continental Europe in order to be recognized as a credible power by our NATO allies. In strict political terms, Europe lies within sight of Canada across the Davis Strait in Greenland. Beyond Greenland, Iceland holds the pivotal position at the juncture of Arctic and mid-Atlantic ocean strategy. From Iceland it is the same distance again to the Europe most Canadians identify with when considering Canada's role in NATO. However, within the overall context of Canada's military capabilities, strategic interests, and foreign policy objectives, this focus on the European mainland is a mistaken one. It is time to redefine Canada's NATO role in order better to reflect the geostrategic significance of the European Atlantic islands and the seas that lie between them. Within this vast area there are many significant military roles that Canada would be particularly well suited to perform. In short, such an undertaking would be a credible NATO role for Canada, a legitimate European assignment for our forces, and a distinctive demonstration of our foreign and security policy interests as a northern power. □



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Canadian agriculture and world politics

by John English and Irene Knell

In assessing the impact of the proposed free trade agreement on Canadian agriculture, *The Globe and Mail* pointed out that "Food has not attracted much attention in the free trade debate, yet food production is very important to certain regions in Canada, and free trade has significant implications" (October 16, 1987). Nevertheless, the *Globe's* own focus is narrow, describing the impact on particular sectors of the agricultural economy and ignoring the broader political aspects of Canadian agricultural policy. A few days later angry exchanges in the House of Commons reminded Canadians that food production is not a factor that can be isolated from international politics. When the United States began to sell their subsidized grain and milk to the Soviet Union, China and India shortly after the bilateral free trade agreement with Canada was announced, Canadian opposition leaders and even some supporters of the agreement cried betrayal. Those markets were ours, and surely the Americans should recognize, in the words of the proposed trade agreement itself, that such subsidized exports "may have prejudicial effects on the export interests of the other party."

Changing market trends

Indeed they would, but the whole dispute illustrates the political character of international agricultural trade. For decades Canada had a special place in British markets because of imperial considerations. More recently the Chinese market has been a Canadian mainstay, largely for the political reason that we sold to them when the Americans did not. The Soviet Union, which has been Canada's largest agricultural products market, was restricted when Canada reluctantly submitted to US pressure to refrain from increasing its contracted sales during the American grain embargo in the aftermath of the Soviet invasion of Afghanistan. These patterns reflect a historic trend whereby Canadian agricultural exports are often determined by political relationships rather than market forces. For Canada, as for most other Western nations, agricultural policy stands apart from the broader trends of domestic and international behavior.

In the industrial and financial sectors of national economies, the postwar period has been marked by liberalization and increasing interdependence. This generalization has many exceptions, of course, but most observers do agree that the postwar boom of Western economies, the most sustained and fundamental in history, is in large part the product of the expansion of markets created by the lowering of protective barriers. Western governments drew the lesson from the Thirties that protection bred depression: larger markets, economies of scale, and, in most cases, international competition, created the higher incomes which democratic citizens demanded from their governments.

Agriculture protection increases

In agriculture, the agenda was different. Domestically, there would be greater subsidy and government involvement; internationally, there would be protection and regulation. The lesson of the Thirties and the Second World War was a different one. As Alan Milward had written in his classic history of Western European reconstruction, "Any sacrifice of agricultural output on the altar of international efficiency now appeared as strategically dangerous and politically disastrous." Those memories — of food shortages in Western Europe and much of Southeast Asia, of that cold hard winter in 1947, of the scrounging of fields for rotten potatoes and the scurrying towards trucks bringing North American aid — remained strong and were the political foundation for the highly protectionist agricultural policies which developed in Western Europe and Japan. Autarky was not so discredited in agriculture as it was in other sectors in the wake of the Nazi collapse.

The war years had rejuvenated North American agriculture. Dust bowls, Bennett buggies, and poverty gave way to maximum production for solid profit and patriotic motive. These happy days lasted until the shattered agricultural economies of Western Europe recovered and until the United States, for domestic and international reasons, acted as though they had the responsibility to feed the world. Rapid changes in agricultural efficiency resulting in huge surpluses made it seem possible and even necessary. That was a problem, and the response of Canadians and others was to try to regulate the market through an International Wheat Agreement, but by the 1960s these hopes had evaporated. Agriculture in most Western countries had succeeded too well. In other traditional markets, although not all, the so-called Green Revolution made former importing nations largely self-sufficient.

The 1970s in agriculture, as in international affairs generally, were years of marked instability. The decade began on a note of optimism as some of the pessimistic scenarios of the 1960s, which envisaged an enduring world food shortage, were proven wrong and large surpluses developed in the late 1960s. Continued growth in production, however, led to cutbacks in acreage. Then in 1972-73 world

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Learning to overproduce

food production dropped for the first time since 1954; the USSR cleverly and quickly bought up thirty million tons of grain at low prices, and food stocks dropped dramatically. The World Food Conference of 1974 heard angry demands from developing nations about the impact of what they saw as the irresponsible economic behavior of the superpowers. Canadian churches and NGOs put strong pressure upon the government to take a position at the conference which would assure long-term food security. By implication, this meant that the Canadian government would reject the emphasis on the working of free market forces which the US government continued to promote, with minor qualifications.

Canadian struggles

Internationally, the Canadian government tried to work towards regulation of the market in a manner which would assure stability on the one hand, and security of supply for developing nations on the other. In the turmoil of the 1970s, the Canadians also tried to cling to their traditional markets in the face of highly aggressive US and, later, Western European competition. The United States share of the world grain trade grew from 40 percent to 58 percent of total world exports in the 1970s. Naturally, their competitors lost and Canada, in particular, began to differentiate its interests from those of its neighbor more clearly. Eugene Whelan's angry attacks on American policy are memorable for more than their malapropisms.

Canada supported a new international wheat agreement and proposals for international grain reserves which would provide security and economy of supply for those nations which needed it most. The graphic television clips of starving Africans added poignant support for the Canadian position. These attempts at international cooperation failed. Canada, like its competitors, developed and extended a wide range of domestic programs which protected producers and consumers. Provincial governments and the federal government scrambled to offer income maintenance schemes for farmers through programs such as the Agricultural Stabilization Act (1975), the Western Grain Stabilization Act (1976), and the Farm Products Marketing Agencies Act (1972). These programs and others consumed roughly 40 percent of federal government agricultural spending, and the same process went on in the provinces.

Even worse in the 1980s

While Canada protected its producers, its competitors did so even more lavishly. At the beginning of the 1980s, Agriculture Canada published *Challenge for Growth: an Agri-Food Strategy for Canada*, which maintained an optimistic viewpoint derived in part from the tight market conditions of

the mid-1970s. The slowing of growth in developing countries, the expansion of agricultural protectionism and subsidization, and an increasingly aggressive export policy on the part of competing nations, especially the United States, made the challenge more one of survival and left the strategy in tatters. In 1985 the United States passed a farm bill which was to cost an estimated \$52 billion over the next three years at a time when the European Community's agricultural support program was costing roughly \$20 billion per year and was virtually bankrupting the Community. At the time the distinguished agricultural economist T.L. Warley wrote that, for Canada, "there seems to be no alternative but to meet this competition head to head." But their heads are much bigger than ours.

Canadian policy during the last two years has been marked by some desperation. When Saskatchewan grain growers expressed bitterness about their lot during the last provincial election campaign, an ill-defined billion dollar federal aid scheme appeared. One European Community commissioner bluntly said prior to the Economic Summit of 1985 that Canada was "on the same wavelength as the United States," and implied that it could no longer act as a "bridge builder." More creatively, the Canadian government tried to make common cause with other exporting countries who could not go "head to head" with the monstrous subsidies of the European Community and the United States. The so-called "Cairns Group" initiative brought Canada together with Argentina, Australia and other exporting nations, excluding the Americans and the Europeans. This coalition, which harked back to earlier middle power stances, attracted attention but brought few results.

The world financial crisis which has caused the Americans and the Europeans to recognize that their costly programs cannot endure has been a more effective prod. In mid-October 1987 Canada tabled a proposal for an agricultural trade code for the GATT. It appears to differ only in degree from that of the United States, which had earlier called for "a major reduction in all trade-distorting subsidies." The proposed Canada-US free trade agreement, with its provisions for elimination of tariffs on food and food products within ten years and of Canadian transportation subsidies for agricultural products shipped through the United States, means that Canadian policy in the future will, in a similar fashion, have to follow the United States more closely. Given that the American path has so often been erratic and that Canadians have in recent years sought a different route in order to protect traditional markets, to further Canadian diplomatic initiatives with the Second and Third Worlds, and to assure the security of the Canadian farmer, the future path promises to be strewn with thickets. □

Terrorism and "compellence"

by Michael Wallack

Terrorism is a form of political violence that is now difficult to examine free from preconceptions. The term is used to refer to the most despicable, morally repugnant and fearsome acts. The consequence of being so labeled, whether for an individual, an organization or a national government, is to become the object of the deepest enmity. This is the ideological content of the term as it used by the political elites of Western democracy, by the mass media, and by most citizens.

Discussions of the use of terrorism as an instrument of foreign policy cannot be entirely free from these ideological presuppositions. Some reference must always be made to its normative content, some awareness must be maintained that in discussing terrorism we are considering the brutally violent death of ordinary people for the sake of political goals. But at the same time we must be careful not to accept at face value judgments about what is to count as terrorism. We must be careful not to omit to call some kinds of political violence terrorism, simply because they are not usually referred to in that way.

Terror as technique

Once the ideological character of references to terrorism is understood, the definitional problem need not be a serious one. Terrorism is a form of political violence that uses the publicity and ferocity of its acts to amplify their effects. The goal of political terror is to coerce decision-makers by threatening a politically important stratum of the population with violence that cannot be effectively limited by security measures provided by the political elites. Terrorist acts must be dramatic, clearly identified as having a political goal, and frightening, if they are to have maximum effect. The power displayed in terrorist acts is not in itself sufficient to accomplish the political objectives sought, nor do terrorists expect to convert the target population or political elite to their own way of thinking. The goal is to use the psychological effects of the terrorist acts to coerce the political decision-makers into changing their policy.

Because fear of violent death (terror) is a general rather than exceptional fact in war, and because the death of innocents (i.e., noncombatants) is now common, the moral distinctions that we have relied upon to differentiate morally acceptable from morally blamable political violence are now difficult to draw. Since World War II, when the Western democracies used mass bombings of civilian populations to attempt to weaken the resolve of enemy populations and leaders, the distinction between combatants and noncombatants has not been one that could be used consistently and in good faith by Western political elites. With the advent of the nuclear age, this distinction has virtually collapsed. What remains to those who would attempt to distinguish the morally blamable from the excusable acts of violence is the moral

value of the goals and the necessity of the acts to accomplish them. But this moral standpoint — that the ends may justify any means — is the very one offered by terrorists in their own defence. The moral perspective from which we respond to terrorism is clouded at best.

Terrorism as show

Terrorism is particularly costly to democratic, urban, industrial societies. Our cities are filled with opportunities for massive, highly visible, vicious random violence. They have not been designed to be protected from such attacks and cannot be effectively protected if they are to function efficiently. And, of course, in our open societies terrorist acts cannot be hidden from view.

Television newscasts, with their penchant for visually dramatic and simple stories, are the ideal means of communication from the perspective of the terrorist. Politicians who have come to power and who govern using television as their primary means of contact with their electorate, are thereby virtually constrained to accept the importance of terrorist acts that dominate the news even when it is not in their interests to do so.

In contrast to the democracies, industrialized autocracies whose elites rule by means of their monopoly of coercion and reward, whose communication facilities are part of the state apparatus, whose borders are closed, are much less at risk from dissident terror.

Terrorism as Tool

Because terrorism enlarges power, and because it is apt to be particularly damaging to political democracies, it is a form of violence that may be commonly adopted by Third World polities and organizations in times of conflict with the Western democracies. For these polities are almost without other means to advance their interests when they are in conflict with those of the industrialized world. A few can offer or threaten to withhold resources or military bases, a few others can look for Soviet or other such aid or use the leverage of local conflicts to improve their bargaining positions, but most cannot realistically threaten Western interests, when non-coercive diplomacy fails.

State sponsored terrorism is attractive to some Third world elites because it fills a gap in their foreign policy capabilities. But in addition to the fact that these states have

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few coercive alternatives, this tactic offers two unusual features for a form of interstate violence: it is ambiguous and it is inexpensive.

Unlike internal war or proxy war, state sponsored terrorism can be modulated to match the responses of Western decision makers. Individual acts of terror have no necessary connection with each other and need not be focused in time or target to be additive. Thus, a series of such acts can be effective in creating a climate of fear without being coordinated or directed in any very sophisticated way. And even while political leaders in the target states deny that they are responding to terrorist demands, and state sponsors deny their connection with the terrorists, both parties can tacitly signal their true intentions by concessions or counterattack, by the widening or lessening of terrorist incidents. Thus the importance of the goal for the terrorist sponsor need not be reflected in the continuity of the tactic or the cost in resources to the sponsoring state.

Defence is costly

The factors that make sponsorship of terrorism attractive to certain Third World elites make responses to terrorism by Western governments difficult and costly. Because virtually every important facility and concentration of humanity is at risk, improvements in security have to be very costly if they are to do more than change the most likely points of attack. Security and emergency agencies must develop and implement new strategies to protect the most vulnerable targets. Political decision-makers and other likely targets among the elite must be protected and made aware of threats in order to maintain a heightened security.

Terrorist incidents may occupy the attention of decision-makers at the highest levels for prolonged periods because of the public character of terrorist acts. This heightened importance given to acts of terrorism by the most important political elite, and the consensus view among the politically relevant strata that it is justified (in the absence of reliable information to the contrary), is itself an important source of leverage to the would-be terrorist and an important cost of terrorism to the target polity. The costs of effective internal security responses to terrorism by Western democracies are high and permanent.

Thus, more aggressive foreign policy responses, even if they have high short term risk and costs, are apt to be preferred to defensive strategies by those Western political elites for whom they are an option.

Coercive diplomacy

The conceptual framework within which the contemporary United States policy of coercive diplomacy has evolved has its origins in the late 1950s and early 1960s. This was a time when the imminent prospect of a stalemate in the field of nuclear weapons, together with rapidly advancing pressures toward decolonization in the Third World challenged the doctrine of containment.

While military confrontation in Europe remained a possibility to US decision-makers, the threat of Soviet gains in the Third World by means of support for domestic insurrections, incursions or guerrilla warfare began to preoccupy strategists. These contexts seemed promising for the Soviets, who were thought to prefer and to excel at "subversion," as compared to the more traditional methods of political influence. Unlike confrontations in Europe, conflicts in the Third

World would be more difficult to assess and respond to because of the ambiguous nature of the threat they presented to US interests, and because of the sheer variety of political environments in which they were apt to occur. A mixture of military sales, development aid, covert political and military intervention and ultimately direct intervention with United States forces, were used.

The common thread that runs through many of these responses is the notion that US interests as a world power are seamless; challenges to interests anywhere, if unmet, undermine interests everywhere. But as military advisers often reminded policy makers, resources are always both limited and insufficient for current commitments. What could be more attractive in these circumstances than a doctrine that proposes that force be employed as a means to limit conflict to the lowest level of cost consonant with interests. Such was the conception urged by Thomas Schelling in his book *Arms and Influence* (1966), under the term "compellence."

Compellence as concept

Schelling's perspective was one that was common among those who formulated nuclear strategy inside and outside government since the late 1940s. He assumed, as did the nuclear strategists, that policy makers could be expected to act as rational calculators whose tactics would be adjusted to changes in the costs and risks of their opponents' countermoves.

Compellence is, then, the use of increasingly costly sanctions to coerce one's opponent to do or forbear from doing something. Schelling was particularly clear about the notion that costs (the level of violence used) must be increased gradually but in a distinct enough manner to convince one's adversary that a change in policy would be more profitable if done sooner rather than later. He also particularly stressed the notion that risk is itself a cost that can be used to coerce. If one's adversary's coercive responses are riskier than one's own, one's adversary is more likely to compromise.

It is likely that compellence will seem particularly attractive to policy makers whose commitments overreach their resources. Compellent force is symbolic rather than instrumental: its goal is to change the minds of the adversary rather than overwhelm by force of arms. Thus neither the amount of force, nor the degree of preplanning required by protracted conflict, are thought to be necessary. But compellence is coercive and public, in contrast to pure bargaining. When it is effective it enhances a nation's reputation for power and resolve. Such effects are precisely those required by a world power whose actual power to control events is on the decline, but whose desire to do so remains as great as ever.

Compellence is better suited as a strategy of conflict between nations of unequal power than it is to relations between more nearly equal adversaries. This is a strategy that is designed to avoid costly and protracted conflict. It is a strategy that requires the appearance of having a full commitment behind it but is used precisely when this is not the case. For its successful use, it must end in a resolution of the dispute before a great deal of force has been used, or else it will have turned into a trap for its user. Having suffered retaliation and responded in kind the initiator of conflict may feel compelled to continue without having any prospect of an outcome that is worth the costs.

Calculating costs

When the adversaries are unequal, the great power may suppose that its greater capabilities insure that its marginal costs of increased violence are bound to be lower than those of its opponent, even as the conflict escalates. It may feel that its society can be insulated from the effects of retaliation by its superior technical capabilities and greater resources. It may suppose that its adversary will recognize that it cannot reply in kind to a particular form of compelling coercion and so will be ready to negotiate or simply change its ways. Its leaders may believe that its allies can be importuned to mediate should escalation reach undesirable levels or that it can link resolution of the conflict it has engendered to other issues to form a coalition to act on its behalf.

Compellence is, after all, the manipulation of risk. Great powers, having chosen a strategy of compellence to impose the burdens of risk on smaller adversaries and so control them, may, when this initial strategy fails, seek to transfer some of the risk into their allies by enlisting them in the conflict.

Compellence in US policy

As state sponsored terrorism has grown more attractive to opponents of the United States, the Reagan administration has ever more clearly adopted compellence as a major component of its strategy against it. The United States has employed a variety of means to respond to terrorism. These include exchanges of security information with its allies, diplomatic efforts to develop a common strategy against sponsors of terrorism, bribes and covert coercion. The US has come to recognize that terrorist bombings and kidnappings constitute a means adopted by states to coerce it into changing some specific policies rather than being simply a method adopted by political organizations to express their anger. It has accordingly publicly identified state sponsors of terrorism, and has used force or the threat of force to attempt to end that sponsorship. The clearest example of this was the April 14, 1986, bombing of Libya, which was intended to coerce that country into ending its supposed support for attacks on US citizens and military personnel in Europe and elsewhere.

Having on previous occasions attacked a Libyan anti-aircraft missile base and two Libyan naval vessels, the US attack on Libyan air fields and on the living quarters of Gadhafi in Tripoli represented a clear escalation of force to the highest level possible short of a sustained and massive attack on the country. By taking Gadhafi as the primary target, the US presumably signaled its resolve to other less vulnerable leaders, as well as to Gadhafi himself, that support for violence directed at US interests would be made personally costly to decision-makers.

Some additional features of the Libyan affair should be noted. The United States requested aid from several of its NATO allies and received aid from one of them. What is as important as this move to involve its allies in so high a stage of conflict, is the fact that the requests were openly made and openly rejected.

Politically popular

The US bombing was very favorably received by the American public, as was undoubtedly expected within the administration. Television coverage of the event stressed the technological proficiency of US forces and the drama of the

event. The "collateral damage" to residential areas, and the death and injury to Gadhafi's children were also depicted. These effects were explained by the Defense Department as being the result of unavoidable circumstances rather than as the intentional and expected effects of the attack on the Gadhafi compound. The event was clearly intended to be a media event, and the administration did what it could to contribute to making it one, to the point of supplying gun-camera films of the attack to the media.

As was the case with the invasion of Grenada, the effects of this example of compellence on US public opinion, and on the opinion of members of the US Congress, must be seen as weighing at least as heavily as the effects on foreign decision-makers in the calculus of benefits and costs driving the policy. Because the attack sought no definite military objective, and because the goal of killing Gadhafi could not be admitted, the only immediate possibility of failure from the standpoint of domestic opinion would be very severe losses in the attack force. Given the advantages of the attacking force the risks could not have appeared to be very high.

Avoiding Congress

And because of the nature of the attack, the policy issues inherent in it could be decided entirely within the executive branch. We have recently learned that the raid was another one of those "neat ideas" favored by those members of the National Security Council staff who were responsible for the Iran/Contra scandal. Compellence is apt to be especially attractive to a President and his political advisers, rather than to those of the foreign and security policy bureaucracy, particularly when a bureaucratic consensus cannot be reached. For these reasons US Presidents may well see compellence as an increasingly attractive choice, when faced with the prospect of sharp domestic criticism if an administration fails to respond to terrorism.

The War Powers Act of 1973 which requires timely notice and consultation with Congress was not triggered by the Libyan attack, and as a consequence, congressional leaders could be informed at the last minute of the impending attack and pledged to secrecy. Congress was thus presented with a *fait accompli*, aimed at one of the administration's favorite symbolic enemies (the President called him a "mad dog"), and justified in the highest register of moral rhetoric, as a righteous response to terrorism. The example of this attack could then serve as a favorite administration reply to Congressional criticisms of its penchant for the use of force, and particularly force not authorized by Congress. The use of compellence against Libya can be seen as a step in the administration's attempt to enlarge its freedom of action in foreign policy. Thus, the growing use of compellence is not only a product of the international environment and the imbalance between power and commitment, it is also a reflection of the contest for power within the executive branch and between Congress and the President.

Consequences of compellence

If compellence is likely to be a favorite US response to state sponsored terrorism, what consequences are to be expected? State sponsors of terror may be less likely to use terror, as is expected by those who favor compellence. But they have a wide variety of alternatives to simply ending their support for terrorism. Because their support is covert, they

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may simply deny their role while lowering their level of support until the most recent counterblow has faded from memory. In the absence of publicly presentable evidence of continued support for terror by the target nation, a US administration would have a difficult time explaining further action on its part.

Sponsors of terrorist attacks might increase their support but redirect it toward other targets. This shift in target is to be expected in any case since security measures usually aim at improving security for the last type of target attacked. But the shift in the type of target might also involve a shift away from direct attacks on United States citizens, toward attacks on US allies. The ambiguity inherent in state sponsorship for terrorism is its primary defence in the face of compellent responses.

If terrorist attacks are in fact redirected, the United States may feel its policy has succeeded. This is true especially since counter-terrorist compellence is almost certain to be a domestic political victory whatever its effects on the target polity. Faced with this new security problem, the NATO allies may be moved to higher levels of coercion, or, what is more likely in light of previous experience, may seek to distance themselves from the US in relevant areas of policy.

Sharing the burden

We are likely to see a more frequent use of compellence by the United States in its relations with Third World adversaries. The responses are more apt to be violent than conciliatory. But the terrorist violence may well be deflected toward America's NATO allies, in the expectation that they will carry the message to the alliance leader and be less likely to retaliate. From the US perspective, this "sharing of the burdens of the alliance" may be an unintended but not wholly unwelcome benefit of compellence.

But from the perspective of some other members of NATO this new cost of membership in the alliance may be an additional reason to question the value of the alliance as it is now constituted. After all, membership in NATO is not a commitment to defend US interests outside the alliance area. Counter-terrorist compellence is apt to be decided upon by US policy makers without any possibility of veto by the NATO members. Thus some may feel that compellence is being used to impose new commitments upon them, commitments that do not contribute to the goals of the alliance. In that event, the use of compellence by the United States against states that it identifies as sponsors of terrorism could seriously weaken the cohesion of NATO. □

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The events of August and September 1987

international canada

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Bilateral Relations

USA

Trade Negotiations

Negotiations aimed at a free trade agreement between Canada and the US continued during this 2-month period (See "International Canada" for June and July 1987) as the October 3, 1987, US congressional "fast-track" deadline approached.

On August 5 the *Toronto Star* reported that members of the US senate finance committee had warned that Canada would have to start negotiating seriously if it hoped to gain congressional support for a free trade agreement. Senator Max Baucus (Dem.) said after a briefing of the committee by US negotiators, "If Canada waits until the 11th hour to offer its proposals on the table, it would be difficult for this congress to accept." Canada's chief negotiator Simon Reisman said in response that "We are negotiating very hard and we are negotiating in a very professional way. With the best will in the world and with all the effort we can muster, we will be negotiating right up to the last hour." The *Toronto Star* reported that the senators saw the key issues on which Canada must bend as foreign investment restrictions, cultural nationalism, government subsidies and exemption from US trade laws. Committee chairman Lloyd Bentsen said, "Neither side has to have this agreement," and senator John Danforth added, "The Canadian position . . . is that they want things to go their way You can't have an agreement that is acceptable to us where everything goes one way We are going to be looking out for the interests of the United States and . . . not any old agreement is going to satisfy us." Mr. Reisman replied that "If it isn't [a comprehensive, mutually beneficial] agreement from our point of view, we won't buy it. We are looking to a balanced agreement."

Following his briefing of the US senate finance committee, US chief negotiator Peter Murphy met with Mr. Reisman on August 5 for another round of talks in Washington. While the teams negotiated, the US House of Representatives' task force on Canada-US trade told a news conference in Washington that Mr. Murphy should seek concessions from Canada on high Canadian tariffs, import restrictions on US alcoholic beverages, and auto trade and subsidy practices. In return, Canada would gain access to a market ten times

the size of its own, he said, but "if there is no quid pro quo, it is quite clear there can be no agreement from the American perspective." Mr. Reisman, after his three days of talks concluded, pointed out that "I don't negotiate with the senate or the congress and [Mr. Murphy's] negotiations are with me." He added that he and Mr. Murphy would be in daily contact until the next round of talks while working groups continued to negotiate specific aspects of an agreement (*Ottawa Citizen*, August 7).

Meanwhile, in Geneva Park, Ontario, delegates to the 56th annual Couchiching Conference were told by keynote speaker John Holmes, a veteran Canadian diplomat and foreign affairs analyst, that "the American empire is unlikely to last, as we have known it during this past half-century," and "if you were going to choose your moment [to pursue a bilateral trade agreement with the US] this wouldn't be it . . . because they are the world's biggest debtor country." John Kirton, a professor of international relations at the University of Toronto and a conference director, said that, instead of tying itself more closely to the US, Canada should look to countries on the rise, such as Japan and South Korea, for trade (*Globe and Mail*, August 8). Couchiching delegates were told by Minister of State for Finance Thomas Hockin later in the meeting that Canada was unlikely to sign a free trade pact with the US unless it included some reliable mechanism for settling trade disputes. "If we don't get that, there is not nearly as much incentive for us to go along with an agreement," the Minister said, adding that "a lot of major decisions will not be made [in the talks] until September" (*Globe and Mail*, August 10).

On August 11 International Trade Minister Pat Carney offered both Opposition leaders a confidential briefing from a senior trade negotiator on the free trade talks before they entered their final sixty days. NDP leader Ed Broadbent declined the offer, saying that "your suggestion that I would have to maintain the confidentiality expected of Privy Councillors would seriously restrict me in carrying out my obligations as leader of an opposition party." Liberal leader John Turner also declined, urging the Minister that the

government "tell all Canadians exactly what it is you are negotiating in these talks" (*Globe and Mail*, August 12 and 13).

On August 18 Prime Minister Brian Mulroney told the Commons that there would be a full debate of a free trade agreement in Parliament. However, Mr. Mulroney did not agree to provide details on the instructions given Mr. Reisman in discussing issues such as US investment in Canada. External Affairs Minister Joe Clark criticized Opposition leaders for rejecting Ms. Carney's offer of a briefing, saying, "As we get to the last weeks of the negotiations, it would not be helpful to the position of Canada were we to be announcing item by item, development by development, every change or every step along the way in the negotiating process." Mr. Clark added that the government planned "full Parliamentary and public opportunity to consider any agreement that might be arrived at" (*Globe and Mail*, August 19).

A planned September 8 conference between Prime Minister Mulroney and the provincial premiers was delayed until September 14 because of a provincial election in Ontario on September 10. Mr. Mulroney's press secretary Marc Lortie said that the new date of the conference would depend on the premiers' availability and on progress in the free trade talks, the *Toronto Star* reported on August 22. The conference had already been postponed from June 22.

On August 24 the two negotiating teams began a series of talks in Cornwall, Ontario, to try to merge separate draft agreements each country had prepared into a single document. The *Globe and Mail* reported on August 24 that issues that remained a long way from resolution included: new rules to open government buying in both countries; US pressure to relax investment restrictions in Canada; attempts to forge a deal that would cover specific services and a code for all trade in services; and Canada's demand for a binding mechanism to settle trade disputes. On entering the first day of the round of talks, Simon Reisman said, "We've done [our technical work.] What remains are tough, crunch issues for both countries." Peter Murphy said he hoped the week's sessions would produce "something of a bracketed text. We've got to move this work forward" (*Globe and Mail*, August 25).

In the Commons on August 24 Lloyd Axworthy (Lib. —Winnipeg-Fort Garry) asked whether the government intended to fight a punitive duty of up to 85 percent on Canadian potash imposed by the US (See US — Potash, below). Deputy Prime Minister Don Mazankowski said that the duty pointed to the fact "that we do need a comprehensive trading arrangement [with the US.] This is a product of the kind of current trading relationship that we have." He added that what was needed was a "dispute-resolving mechanism that can see these kinds of issues resolved" (*Ottawa Citizen*, August 25).

Later in August, seven US state governors called for the US to negotiate with Canada a new auto pact, because the one in place was "distorting investment and trade to the benefit" of Canada. The governors of Michigan, Missouri,

Indiana, Illinois, Kentucky, Ohio and Wisconsin issued a joint statement calling for "an equitable agreement which lowers the existing . . . barriers" that would "enhance the economies of both countries The US-Canadian Automotive Agreement represents a departure from free and fair trade between our nations." A spokesman for International Trade Minister Pat Carney said in response to the statement, "If the Americans want to renegotiate the auto pact, they always could with one year's notice. It's built right into the agreement." The specific demands of the governors were: to put US vehicle parts suppliers on an equal footing with Canadian parts companies by deleting Canadian content requirements; to eliminate an "illegal export subsidy" that lowered the amount of duty paid by auto companies which purchased Canadian parts for export to the US; and to extend the benefits of duty-free automotive trade only to US manufacturers, and not to those of Japan or other countries (*Globe and Mail*, August 27).

Canada's provincial premiers issued a communiqué from their conference in New Brunswick which condemned the US for harassing trade practices and called on the federal government to fight US protectionist measures with "all strategic instruments." Host Premier Richard Hatfield said, "We certainly want to make it clear that we are very annoyed with [the potash duty.] We think that these actions taken with regard to softwood lumber, with regard to potash, with the [omnibus trade] bill that has gone through the congress, are all indications that they are not being serious or behaving in a serious way in negotiating a trade agreement." Saskatchewan Premier Grant Devine said, "It's all of us together from coast to coast [who] have to face this huge neighbor that is unpredictable right now." The communiqué said the premiers would work together "to assist any part of the country or any particular economic sector harmed by the actions of our trading partners," and reiterated the premiers' demand that any free trade deal with the US include "a guarantee of secure access to the American market . . . and a joint and binding mechanism to settle trade disputes" (*Globe and Mail*, August 28).

Meanwhile, Simon Reisman emerged from a week-long round of talks in Cornwall, Ontario, saying, "On the really close-in critical issues, you can expect that we'll be negotiating right up to the wire I think from here on, [the teams] will shrink, and who knows — at the tail end it may be, you know, heads of state It may take the heads of state to say a few things to each other. If there's a couple of points left at the end, they may have to be resolved at a political level We've resolved quite a few problems that existed [at the beginning of the session] We're not very far away from an integrated, bracketed text. Each time we meet, we'll get closer, and it won't be very long, since we don't have much time left." Mr. Reisman was not sure whether he would have a bracketed text ready for the meeting between the Prime Minister and the premiers in Ottawa on September 14 (*Toronto Star*, August 29).

On September 9 the *Financial Times* of London reported that the chief proponents of a free trade pact,

Prime Minister Mulroney and US President Ronald Reagan, were both considerably weaker than they had been when the free trade negotiations were first proposed in 1985, and, as a result, would have difficulty selling an agreement to the Canadian provinces and the US congress. The report also said that Lloyd Bentsen, chairman of the US senate finance committee, had expressed the vital importance of the cooperation of the provinces in US eyes when he said, "The provinces must be subject to the terms of the agreement with respect to such matters as subsidies and government procurement because that is where the US business community finds many of the most protectionist barriers to trade in Canada."

Early in September the AFL-CIO released a policy statement which argued that a US-Canada free trade agreement would mean a flood of Canadian imports, leading to lost US jobs, a position which, ironically, Canadian labor held in reverse. Other fears expressed in the position paper were that a free trade deal would be used as a blueprint for other trade agreements, and as a cornerstone for the US administration's position in regard to GATT negotiations; and that other countries would use a Canada-US free trade pact to circumvent US trade laws in automobiles (*Globe and Mail*, September 9).

On September 10 the *Ottawa Citizen* reported that the Prime Minister had told a cabinet committee the previous week that Canada would pull out of the free trade talks if the US did not agree to the creation of an impartial tribunal to rule on trade disputes. The report also said that a senior official in the Prime Minister's office had said, "There is absolutely no reason for us to enter an agreement which left dispute settlement with the US government. We are looking at a genuine, objective tribunal process that is binding. Period." International Trade Minister Pat Carney had made the same point in interviews, as had Finance Minister Michael Wilson and Deputy Prime Minister Don Mazankowski, the report said.

With the deadline fast approaching, Shirley Carr, President of the Canadian Labor Congress (CLC), said that the Prime Minister should call an election on the issue of a free trade agreement. "If the Prime Minister had any real concerns, as he claims he has for this nation, he would call an election. I don't think that's going to happen," Mrs. Carr said. The September 10 *Ottawa Citizen* report said that Mr. Mulroney had promised Canadian voters in 1986 that they would have a chance to vote on the issue. It quoted the Prime Minister as saying, "We'll lay it out in an election campaign, or in some other mechanism, because it has to be ratified. It has to be approved." However, Marc Lortie, the Prime Minister's press secretary, said on September 9 that Mr. Mulroney had since indicated that the Commons would ratify any free trade deal and it would not be necessary to call an election or a referendum.

A new round of talks took place in Washington on September 10 and 11. While negotiations continued, Canada's ambassador to the US, Allan Gottlieb, told a meeting of the Canadian Club in Ottawa that Canadians "could make an error of historic proportions, as we judge one of the most consequential negotiations in our nationhood, if we fail to see ourselves as others see us. . . . We should not think

of ourselves as the mouse and the elephant, or as the modest middle power next to the giant, nor as a beleaguered society constantly threatened with absorption. . . . The world does not see us this way. The Americans do not see us this way. . . . There is no sign, anywhere, that the Americans see a trade agreement as a means to swallow Canada up, at last. That is a Canadian myth." The ambassador also said that the free trade talks offered the opportunity to remove trade issues from the politics of special interests and bring them under "the rule of law." Without such a pact, he said, greater Canada-US trade disputes would result (*Ottawa Citizen*, September 11).

At the end of two days of talks in Washington, Simon Reisman said that chances of reaching an agreement before the US congressional deadline stood at 50:50, and that "hard decisions" still had to be made by both sides. Ms Carney said the same day that she had spoken with Canada's negotiators "who assure me that the auto pact was not raised by them or by the Americans at today's session." Mel Hurtig, chairman of the Council of Canadians, said that an "impeccable" source had told him that the Canadian delegation had proposed changes to the auto pact during the latest round, while in Washington Mr. Reisman ignored several reporters' questions about the auto pact (*Globe and Mail*, September 12).

On September 12 the *Globe and Mail* also reported that the Canadian free trade delegation had delayed its departure from Washington on September 11 in order to take part in an extended session with US trade negotiations. The report quoted one US official as saying that there were several options under review to address Canadian concerns about trade dispute settlement and other key issues. "There's more than one way to skin a cat. Don't get locked in on any one [approach]," the official said. A member of the Canadian delegation was quoted as saying that the Americans "haven't crossed the river yet" to meet Canadian demands on the trade dispute issue. Meanwhile US Secretary of State George Shultz had told the US senate foreign relations committee the Canadian position on trade dispute settlement was "rather tricky. . . . From our point of view, we want that [trade dispute] process, whatever it is, to be consistent with our basic laws of countervailing and dumping. From the Canadian point of view, they want to have an assured method of dealing with the problems that inevitably arise in such a huge trading relationship." Senator Richard Lugar of Indiana, the former Republican chairman of the senate foreign relations committee, expressed concern to Mr. Shultz that the talks were being taken for granted in the US. "If we're unable to work out an agreement with our closest friends. . . I think this would be a very very serious deficiency." Mr. Lugar described the October 3 deadline for an agreement as "the most critical date in this continent, and perhaps in the Western Hemisphere" (*Globe and Mail*, September 12).

On September 14 Prime Minister Brian Mulroney met with the provincial premiers for seven hours in Ottawa. After the meeting, during which Simon Reisman briefed the premiers, Ontario Premier David Peterson said, "If a deal is made, it won't be as big a deal" as had been anticipated. Mr. Peterson had learned officially from Mr. Reisman that the

US negotiators had waited until after the September 10 Ontario election before declaring their interest in having the auto pact part of the negotiations. Mr. Peterson said that the US move had come as a surprise, since, only two days earlier, Canadian officials and members of the Canadian automobile industry had said that the auto pact would not be placed on the bargaining table. The Prime Minister said after the meeting that "There are many important stumbling blocks," and, while the premiers believed that "an acceptable agreement remains achievable, [in the talks] Canadian concerns have not been, in our judgment, appropriately addressed in some important areas." In Washington, a source quoted by the *Globe and Mail* said that US negotiators "can envision" a panel that issued binding decisions in certain trade dispute cases; however, the US was not prepared to accept an across-the-board mechanism for binding arbitration on all trade disputes, the source said. Meanwhile, the Prime Minister and the premiers agreed to meet once more before the October 3 deadline (*Globe and Mail*, September 15).

The *Wall Street Journal*, in a September 14 editorial, called the potential free trade accord "a rare burst of sunshine" in the trading world, and suggested that it was time "for the Reagan administration to get serious and start pitching this agreement as the political and economic bonanza it is." The editorial went on to state that US citizens "like Canadians, and we doubt most of them would object to an agreement that can be described as a boon to the general interest." A free trade agreement with Canada, it added, would be a good way of forcing the "fair traders" to prove their claims of only wanting US industry to get a fair shake in the international marketplace, rather than being closet protectionists.

Further editorial support for a free trade agreement came from *The Economist*. "A free trade pact, sewn up before the American congress regains the right to discuss it to death, would safeguard Canada's access to the American market," the editorial read. "For America, it would show that countries can agree on rules covering trade in services, direct investment and the transfer of intellectual property — which is what it wants the next GATT round to do . . . [On the Canadian side the] old timidity is flooding back," it continued, and "many Canadians fear that their culture could be swamped." Yet, "what could be more sensible than free trade between two countries whose people mostly speak the same language, whose common border is about twelve times as long as the inhabited part of one of them is deep, and whose citizens cross that border without passports?" If the talks failed because some US congressmen were protectionists, the editorial concluded, "the failure will say: forget the new deal that America wants with the 91 other members of GATT, it cannot even negotiate the basic ingredients with its friend and neighbor to the north" (*The Economist*, September 19-25).

The Prime Minister said on September 18 that by September 23 he would know from Simon Reisman whether or not an agreement would be reachable, and added that "I certainly wouldn't want to exclude the possibility of getting together in the future" with US President Ronald Reagan, should it be necessary to improve a deal

made before the deadline. Mr. Mulroney also said that the provincial premiers would be asked at a late December meeting to accept or reject a free trade deal, and if they did accept it, would be expected to sign a document showing their intent to live by the provisions of the agreement (*Ottawa Citizen*, September 18).

On September 19 the *Globe and Mail* reported that some of the most vocal of free trade supporters in Canada were suggesting that Canada's objectives in the negotiations could be met without a dispute settlement mechanism as part of the agreement. John Crispo, professor of management studies at the University of Toronto, said, "Ideally I would still love to have [a binding tribunal]. What I have to recognize is that it's not on for political and practical reasons," since the US congress would not surrender its sovereignty over trade policy. Murray Smith, director of the international economics program at the Institute for Research on Public Policy in Ottawa, said, "What is needed is a way to bridge the gap between the US belief that a tribunal should be simply advisory and Canada's desire to replace the existing trade laws of the two countries . . . If the US can accept that the tribunal can stop complaints if they fall within the guidelines, then in an operative sense that is binding from the Canadian point of view. Then it's just a question of whether Canada can sell it politically."

Prime Minister Mulroney's chief of staff, Derek Burney, Finance Minister Michael Wilson and Canadian ambassador to the US Allan Gottlieb met US Treasury Secretary James Baker "secretly" for political consultations during the previous weekend, a September 21 *Globe and Mail* report said. Negotiations resumed in Washington on September 21. International Trade Minister Pat Carney described the issue of a binding dispute settlement mechanism as central to the crucial 3-day session. She defined "binding" as "something that reduces uncertainty" so that any agreement was "not being nibbled to death. What the form of that mechanism is has not been really defined in a complete way. There are various models," the Minister said. "[What is necessary is that a system have] clear rules and an impartial referee and everyone has to honor the agreement. If you're offside and you don't conform to the rules, you're going to get a penalty . . . It is simply going to be hammered out this week or we're going to pick up our puck and go home" (*Globe and Mail*, September 21).

On September 22, amid rumors that the auto pact was being negotiated in Washington, the Prime Minister told the Commons, "We are not now negotiating the auto pact. If, however, the Americans have some ideas that can contribute to jobs, greater wealth, greater prosperity for both sides, then of course we'll listen. That has not yet been broached by the Americans at the table and if indeed it does, I will be happy to confirm it."

The free trade negotiations received encouragement from the C.D. Howe Institute, which had long been in favor of such an agreement, on September 22, when a paper co-authored by University of Toronto professor of international business Alan Rugman and economist Richard Lipsey was released. Canada could still get what it wanted from a free trade agreement, the paper said, without a binding mechanism to settle trade disputes, since a joint Canada-US

commission — considered essential to the management of a free trade agreement — could be effective even if the two countries retained their current trade remedies. Mr. Rugman added that worrying about whether or not the rulings of such a commission would be binding "is a simplistic view of the process." Noting that influential US politicians had ruled out handing over any powers that would supersede US trade laws, the C.D. Howe report instead advocated a joint panel that would serve as the first forum for trade complaints. Canada would have its voice heard in the decision-making process, removing much of the political bias that had characterized recent US trade rulings, the September 23 *Globe and Mail* report said.

Canada's chief negotiator, Simon Reisman, expressed some impatience with reporters during the Washington round of talks. "The trouble with you fellows is that you don't have any respect for the truth, don't deal with things that have foundation in fact," Mr. Reisman said, adding, "I'm not discussing with you matters of substance." While the round of talks continued, the American Bar Association began to circulate its proposals for a trade dispute settling mechanism with members of the US congress. Mr. Reisman endorsed the proposals, which had been written in conjunction with the Canadian Bar Association, as acceptable, a September 23 *Globe and Mail* report said.

On September 23 Prime Minister Brian Mulroney told the Commons that free trade negotiations had been suspended because of "unacceptable" US demands in the areas of dispute settlement, culture and regional development grants. While the Prime Minister suggested that the suspension was temporary, Simon Reisman said in Ottawa the same day, "As far as I'm concerned, it's over. I terminated the negotiations today," adding, "It ain't over till it's over. . . . It's a little early to try to be answering [the question of whether or not there was hope left for an agreement]" (*Toronto Star*, September 24).

The *New York Times* reported on September 24 that some US officials saw the Canadian decision to suspend talks as "a tactical decision, made at an earlier time," and that the US negotiators still saw hope of reaching an agreement before the October 3 deadline. US Special Trade Representative Clayton Yeutter was quoted by the *New York Times* as saying, "We have made progress in some areas, and in others we remain far apart, but there are no differences that cannot be bridged." However, one Canadian official, whom the *Times* did not identify, said, "We have not been able to bring the US side to a recognition that an agreement of this breadth and character has to have a separate dispute settlement mechanism." Dan Rostenkowski, chairman of the US House Ways and Means Committee, said that the US negotiators' position on dispute settlement "accurately reflects the political consensus here in Washington as to what is an achievable agreement," and that the walkout by the Canadian delegation appeared to have been dictated "more by political problems in Canada, particularly with their own provinces." Each side in the negotiations, the *Times* report said, was suggesting that the ball was in the other's court.

House of Commons Speaker John Fraser on September 24 refused a request from both opposition parties

for an emergency Commons debate on the suspension of the free trade negotiations. Mr. Fraser told the Commons that he did not consider the situation to constitute an emergency at the time, but would be prepared to reconsider the ruling if circumstances were to change.

On September 25 Finance Minister Michael Wilson went to Washington for the annual meetings of the IMF and the World Bank, and met privately with US Treasury Secretary James Baker to discuss possible ways of reopening the free trade negotiations. Mr. Baker had said the previous day on NBC's *Today* show, "It is a very difficult negotiation . . . I don't think we've hit a dead end. I certainly hope we haven't." He had met that day with Mr. Yeutter and US President Ronald Reagan to assess the US reaction to the Canadian delegation's departure from the negotiations (*Toronto Star*, September 25).

Meanwhile, US negotiators, according to a CBC television report, were working into the night to formulate their response to the Canadian demand for a trade dispute settlement mechanism, and other conditions set by the Canadian negotiators at the suspension of the talks. The CBC report cited one US source as saying that the response package submitted by the US negotiators to the Canadians contained "very attractive proposals on the Canadian demands," while a source in the Prime Minister's office responded to the package by saying that the US was not offering enough (External Affairs transcript, September 26). In the Commons on September 25, External Affairs Minister Joe Clark said, "It is up to the US to make new proposals if they want to have the negotiations continue. Those new proposals have not been received. The ball is very much in their court."

Canada's chief negotiator Simon Reisman told CTV's *Question Period* on September 27, "Fairly early in the game we saw that the Americans were playing this kind of game — drawing you out, getting you to undress while they were sitting there looking you over to see whether they were interested and of course I wouldn't buy that. . . . They kept leading us on on a few things. . . . They believed that Canada needed an agreement very badly." Mr. Reisman also said that he had raised in roughly seventy-five face-to-face meetings with US chief negotiator Peter Murphy the issue of a binding trade dispute settlement mechanism, but that despite these efforts this had remained the major issue to stymie the talks. "There was nobody really in charge in the United States," Mr. Reisman said (External Affairs transcript, September 27).

On September 28 Finance Minister Michael Wilson and International Trade Minister Pat Carney went to Washington to meet with US Treasury Secretary James Baker and US Special Trade Representative Clayton Yeutter to explore the possibility of reviving the free trade negotiations. Bruce Phillips, the Prime Minister's director of communications, said that he remained cautious about the prospects for success in the talks, since proposals received from Washington the previous week had been "vague in a number of critical areas." A report in the September 28 *New York Times* said that Canadian officials analyzing the breakdown of the talks had said that the US appeared to

take Canada's demand for a trade dispute settling mechanism as a ploy that Canada would abandon as an agreement neared. On the other hand, US officials, the report said, had accused the Canadians of naiveté for believing that the US congress would agree to exempting Canada, the biggest trading partner of the US, from their trade remedy laws.

By the end of September — although Ms Carney had said that she and Mr. Wilson had made "a lot of progress" in their Washington session (*Toronto Star*, September 29), and the federal Cabinet agreed that "consultations" would continue between the two countries at the "political level" (*Ottawa Citizen*, September 30) — no new round of negotiations aimed at a free trade agreement had begun. Mr. Clark told CBC television's *The Journal* on September 29 that "we're not very optimistic about this leading to anything, but it might" (External Affairs transcript), while the Prime Minister told the Commons on the same day, "Whether it's five days, five minutes or five hours, the bottom line remains the same. This deal shall be in the national interest of Canada or there shall be no deal at all," and NDP trade critic Stephen Langdon told the Commons, "I think it's going to cost us as a country even if we go back into negotiations; we'll go back with a sense of weakness instead of with a sense of strength."

Acid Rain

In early September the World Wildlife Fund (WWF) accused Canada and other countries — including the US, Italy and most of the countries of eastern Europe — of being "unwilling or unable" to stop acid rain pollution because it refused to sign a West German sponsored international pollution control treaty. Negotiated in Europe and called by the WWF "the world's only functioning air-pollution control agreement," the treaty called for a 30-percent reduction in nitrogen oxide emissions, which came mostly from automobiles (*Toronto Star*, September 6).

On September 9 officials from the US Treasury Department and the Environmental Protection Agency (EPA) told the US House of Representatives ways and means committee that a plan offered by Republican representative Judd Gregg to combat acid rain by taxing pollutants emitted by large factories and power plants was premature. The proposal would impose a variable rate tax on emissions of sulphur dioxide and nitrogen oxides. Witnesses representing major manufacturers and the electricity and coal-mining industries also opposed the tax proposal, saying that the US congress should postpone action on any acid rain control legislation until the completion of a 10-year US federal study begun in 1980, and the development of new and cheaper technologies for burning coal more cleanly (*Globe and Mail*, September 10).

On September 16 Quebec Environment Minister Clifford Lincoln told an international conference on the ozone layer (See Multilateral Relations — UN, below), "I rejoice that the Americans now admit that the way to deal with [environmental] problems . . . is to set specific target dates and clear objectives. This is very much a reverse of the position they've taken on the acid rain issue . . . I find it very paradoxical that [regarding ozone] they say they have

to have target dates, and on the acid rain issue they say, let's research it first. If they want to be consistent, why don't they say, let's research the ozone problem for another ten years before we act . . . All we can do is try, using every possible argument, to press the point home and show them we're really getting fed up. We can't just watch the maple trees and lakes die." The *Ottawa Citizen* reported on September 17 that Lee Thomas, director of the EPA, said that ozone depletion and acid rain were two separate issues, and that there was no contradiction in the US policies toward each of them.

The National Acid Precipitation Assessment Program (NAPAP), a US congressional task force established in 1980, released a report — overdue by two years — on September 17 which concluded that only a small fraction of US lakes and streams had been damaged by acid rain, and that current research suggested "that there will not be an abrupt change in aquatic systems, crops or forests at present levels of air pollution." Courtney Riordan, research director of the EPA, acknowledged that the so-called "steady state" theory had not been proved, but he added that "the consensus of the [scientific community] is that it is likely to be so." Richard Ayres, a lawyer for the Natural Resources Defence Council, said, "This is the Pollyanna-in-blinders approach," and accused the task force of ignoring studies inconsistent with the US administration's position. The "steady state" theory had been disproved by Canadian scientists, he said, who had documented increasing acidity in one long-studied lake despite an actual reduction in acid rain over the period of the study (*Ottawa Citizen*, September 17).

Environment Minister Tom McMillan reacted to the report of the task force by saying that there was no lack of scientific understanding of the acid rain problem in the US, but that "what is missing is the political will by some Americans to do what is necessary to reduce, on a targeted and scheduled basis, a dangerous pollutant that is wreaking havoc, not only in that country but in Canada as well." Earlier, the Minister had told a major international wilderness conference in Denver, Colorado, "The chilling fact is that if countries with such close historical ties [as the US and Canada] cannot make progress on an issue like acid rain with its terrible consequences for both countries, what hope is there for progress on environmental issues among nations less bound by links of friendship? . . . [The acid rain issue] is a litmus test of whether Canadian-US relations are merely an accident of geography or an exercise in genuine cooperation in areas of common concern" (*Globe and Mail*, September 18). On the same day, the Minister released the text of a letter he had sent to Lee Thomas of the EPA, and said that the report "is not science, it's voodoo science." Mr. McMillan announced a doubling of his department's budget for acid rain communications programs, and a personal speaking campaign to the US (*Ottawa Citizen*, September 18).

In the Commons on September 18 Liberal environment critic Charles Caccia (Davenport) accused the government of "a series of public relations stunts and nothing more than that" in its acid rain policies, and called

the NAPAP report "a report that was paid for by the US administration . . . a political report." External Affairs Minister Joe Clark said he agreed that the report was a political one, saying, "It pretends to be a scientific report. We are challenging its scientific basis."

Meanwhile, a 7-year study of the Turkey Lake, Ontario, watershed (north of Sault Ste. Marie) by the National Water Research Institute of Burlington, Ontario, showed that lakes could recover from acid rain damage in a matter of years if the emissions causing the acid rain damage were halted or reduced. Dean Jeffries, head of the study, which was to continue through 1990, said the study "supplies solid information that the system can repair itself if we treat it right. As a scientist I feel we have more than enough information to justify going ahead with emission controls." The return of fish and less acidic levels in the seven lakes of the watershed proved there was a direct relationship between the amount of acid rain and the quality of the lakes, Dr. Jeffries said, as the results showed an improvement in water quality directly following a period of decreased industrial sulphur dioxide emissions in the early 1980s. The results supported other research near Sudbury and Kenora, Ontario, he added (*Ottawa Citizen*, September 18).

Environment Minister Tom McMillan's attack on the US task force report was met with equanimity by the EPA. Bill Long, an EPA spokesman, said on September 18 that Mr. McMillan's criticism of the report was consistent with Canada's position that the US was over-emphasizing the need for more scientific study before acting to reduce acid rain-causing emissions. Mr. Long said the report was only one of several elements that would be drawn together to determine US policy on acid rain, and that "the people who put the report together are reputable scientists . . . What is discouraging is that many people are making pronouncements without having studied it."

Michael Perley, spokesman for the Canadian Coalition on Acid Rain, called the US task force report "distorted, incomplete and flawed," saying that it dealt only with surface water impact and failed to mention human health problems arising from acid rain, or other issues such as damage to buildings. Mr. Perley blamed the Canadian government for not making a "coherent effort" to explain Canada's worries about acid rain to the American public (*Ottawa Citizen*, September 19). However, a letter to the editor published in the September 20 *Toronto Star* from a minister-counsellor for public affairs at the Canadian embassy in Washington denied this allegation. The letter outlined activities undertaken by the embassy — public speaking engagements, public information programs, consular activities throughout the US — and maintained, "What else but these activities . . . would have prompted Michigan's congressman John Dingell [a well-known opponent of acid rain emission reduction plans] to complain publicly about this embassy's energetic campaigning on acid rain? (As recently as [August 1987 Mr. Dingell] wrote to the ambassador asking the embassy to desist from its lobbying of congress on this issue). Why else would Maine's Democratic senator George Mitchell, a strong proponent of acid rain controls, tell a tripartite group of Canadian MPs last

June 24 that the only progress on acid rain made with the [US President Ronald] Reagan administration has been as a result of Canada?"

A few days later Ambassador Allan Gottlieb's deputy told a gathering of US business people in Buffalo, New York, that Canada would keep working to solve the problem of acid rain, despite the recent US task force report. "The report makes a lot of assumptions that don't stand up," Paul Heinbecker said. "Unless the US acts to reduce acid rain, we Canadians will still have an acid problem. The *status quo* is not an option for us." Mr. Heinbecker pointed out that the report claimed that only 10 percent of Adirondack lakes had a pH of 5, a level fatal to most fish and animal life; but most research indicated that fish began to die when the water's pH fell from 7 to 6, he said, and, by making the danger limit more restrictive, the authors of the report had made it appear that fewer lakes were involved in acid rain damage (*Toronto Star*, September 24).

The *New York Times* reported on September 22 that researchers involved in the study believed that the report's executive summary was inaccurate and misleading. They said it appeared to be aimed more at supporting the opposition of Mr. Reagan's administration to expensive pollution controls than at clarifying scientific knowledge, the *Times* report said.

During the same week, a study called *Acid Rain vs Canada's Heritage* — funded by Environment Canada, and written by architect and "historic" building expert Martin Weaver for the US EPA — found that acid rain pollution was doing "drastic" damage to buildings by eating away at stones and metal work "to the point of collapse." The study found that "the key ingredients causing [building] deterioration [were] oxides of sulphur and nitrogen," the main elements of acid rain. Mr. Weaver cited one historic building, Montreal City Hall, where acid rain pollution "has seriously affected some of the most exposed stones to the point of failure and collapse." An Environment Canada official confirmed that the report was being prepared for release, and was intended as a guide for purchasers of building materials (*Toronto Star*, September 24).

A 7-year study of another Canadian lake — this one of Plastic Lake in the Muskoka region of Ontario — indicated that acid rain had a definite cumulative effect, according to the head researcher for the project, Peter Dillon. The study was conducted by the Ontario Ministry of the Environment from 1979 until the end of 1986, and was "probably the most intensive study in Canada, if not in the world," Mr. Dillon said. "There's no question Plastic Lake is acidifying . . . The chemical changes are very profound. We've proven sulphuric acid is directly responsible for the acidification . . . The lake isn't dead yet. In fact, it will never be completely biologically dead, in that there'll never be any biological life in it. But it's already biologically different. Some species are already extinct in the lake." Mr. Dillon added that the US task force report released earlier in September had been based on the status of lakes at a given point in time and had made no effort to look at whether the condition of lakes had changed over the years (*Ottawa Citizen*, September 28).

The *Ottawa Citizen* also reported on September 28 that a report prepared by the EPA concluded that Canada had overstated its claim of reducing acid rain causing emissions by 50 percent by 1994. Only Ontario and Quebec, the report said, would come close to that level of reductions, with Nova Scotia and Manitoba increasing their acid rain pollution under the Canadian controls program by 6 percent and 14 percent respectively. In addition, New Brunswick and Nova Scotia had not promised in writing to take part in the controls program, the report said, and only Ontario and Quebec had enacted acid rain regulations. The report also raised questions regarding the cost of reductions and the methods used by some polluters, such as Ontario Hydro, to make them. Michael Perley of the Canadian Coalition on Acid Rain said that the report — prepared by the US consulting firm ICF Inc. — was accurate in some respects, but that the worst polluters, Ontario and Quebec, received the least amount of criticism in it, while the other eastern provinces "are minor players."

Finally, at the end of September Environment Minister Tom McMillan announced that the authors of the NAPAP report would be visiting Canada in October to discuss with Canadian scientists their conclusion that acid rain was not inflicting major damage on US lakes and streams. The Minister said in Washington that he and Lee Thomas of the EPA had met about the study, and "[Mr. Thomas] expressed some displeasure with the comments I have made, but I restated them and confirmed in spades that Canada disagrees with the fundamental assertion that acid rain is not a serious problem" (*Globe and Mail*, September 30).

Great Lakes Water Levels

A study conducted at the University of Windsor's Great Lakes Institute — one of seventeen studies commissioned across Canada by the Canadian Climate Centre on the economic impact of the "greenhouse effect" — suggested that shipping costs in the Great Lakes could increase by as much as 30 percent by early in the twenty-first century, as accelerated evaporation caused a drop in water levels of up to seventy-five centimetres. Marie Sanderson, former director of the Institute, said that hydro production would decrease with the reduced water volumes, but that warmer temperatures would mean that less electricity would be required by both Canada and the US. "You won't notice it right away," Ms Sanderson said, "because the lakes are going up and down every year anyway, but every year there will be a lower [average level] . . . You'll first see it as a reduction in the ice cover on the lakes, which is what we saw just last winter. Maybe that was a foretaste of things to come. But you should start to see something about the year 2035." The study's conclusions were to be published at the end of October (*Toronto Star*, September 24).

Toxic Wastes

Records obtained under the US Freedom of Information Act from the Environmental Protection Agency (EPA) showed a tenfold increase since 1980 in bids by US companies to dump toxic wastes in Canada, said Ron Gotts,

director of the waste management division of the Ontario Environment Ministry. From January 1987 to April 1987, Ontario imported from the US over eighteen million kilograms of hazardous wastes, and exported to the US about seven million kilograms. Wendy Grieder, international activities specialist with the EPA, said that US companies often preferred to have hazardous waste treated at Canadian plants, which were in many cases closer to the producer of the waste and cheaper because of the weaker Canadian dollar. Ontario monitored all requests for disposal of hazardous waste, and the movement of wastes destined for recycling plants. Mr. Gotts said that the recyclable wastes were monitored because "recycling can sometimes be a cloak for other activities . . . That's how you end up with PCBs in oil." Pollution Probe executive director Colin Isaacs said that the monitoring system for hazardous waste imports was as thorough as it could be, adding, "I would prefer it come into Canada and be properly destroyed and properly disposed of than stay in the United States and go into a landfill site that is leaking. And believe me, plenty of US landfill sites are leaking" (*Globe and Mail*, September 16).

Potash

In late August the US Department of Commerce handed down a preliminary ruling that Canadian potash producers were dumping potash — used in the manufacture of fertilizer — in the US and said that duties of up to 85.2 percent should be imposed. The US producers of potash had sought a 43-percent duty on the US\$340 million worth of Canadian potash sold to the US annually by five major Canadian producers. An official at the Canadian embassy in Washington called the ruling "outrageous . . . We're mad as hell." He said the Canadian potash accounted for more than 80 percent of the US market, while the US producers who had filed the complaint had only 3 percent. Saskatchewan Trade Minister Robert Andrew said, "The whole industry is at risk. There's certainly a risk that some mines would be forced to close down. And if the mines are closed for any significant period of time, they could be rendered useless." He added that the preliminary duty would make the price of Canadian potash "prohibitive" for US customers. . . . They would have to buy potash from the Russians. It's absolute insanity." Saskatchewan sold 60 percent of its potash to the US, and the duty was "a large, large question for our economy," he added (*Globe and Mail*, August 22).

International Trade Minister Pat Carney expressed disappointment over the ruling. "We had argued strongly in February [1986] that the case should not have been initiated. We continue to question whether the two US companies [Lundberg Industries Ltd. and New Mexico Potash Corp., both of New Mexico] bringing the petition have legitimate standing in this case." The Minister stressed that Canadian companies were not required to pay any anti-dumping duties as a result of the decision, although they would have to post bonds equal to the estimated amount of the dumping margin. She also indicated that the federal government "will be reviewing the [US] decision particu-

larly with a view to ensuring that it is consistent with the United States' obligations under the GATT. If representations are appropriate they will be made." Ms Carney noted, as well, that disputes such as the one over potash were almost unavoidable under the existing rules governing a trading relationship as large and diverse as that between Canada and the US. "This case is a graphic illustration of why the government has placed such a high priority on the need for a comprehensive bilateral trade agreement with the US to provide better rules for the conduct of our trade" (International Trade communiqué, August 21).

The Regina *Leader-Post* reported on August 22 that Saskatchewan Energy Minister Pat Smith had expected "the worst case for any one company [to be the New Mexico Potash Corporation's maximum request of a] 43 percent tariff." Potash Corporation of Saskatchewan (PCS) president Chuck Childers said he thought the worst aspect of the ruling was the wide range of tariffs imposed, from 9.1 percent on one company to 29.67, 36.62, 51.9, 77.4 and 85.2 percent on others. "It doesn't seem fair, does it?" asked Mr. Childers, adding that the range of tariffs was likely a result of how the cost of production was determined by the US Commerce Department for each company. (PCS, a Saskatchewan crown corporation, had suffered a huge loss in 1986, he said, while another producer, IMC, had its losses absorbed by its US parent company. PCS had been assessed at 51.9 percent and IMC at 9.1 percent.) The report also said that the Canadian potash producers had until November 3 to try to reverse the ruling, and that an October 5 hearing in Washington would be crucial to their case.

In the Commons on August 24, Lloyd Axworthy (Lib — Winnipeg-Fort Garry) told Deputy Prime Minister Don Mazankowski that "it appears that the more we negotiate [a free trade agreement], the more we get hit by American trade actions which are having an incredibly damaging effect on all parts of the Canadian economy. So much for the negotiations when all we do is pay the price and they get the benefits." NDP leader Ed Broadbent told the Commons the same day, "The last time a major [trade] decision was made against us [by the US] was on the softwood issue. The government then said it would protest the American decision at GATT. Instead of doing that, it caved in and, in a masochistic way, imposed a self-inflicted punishment on Canadians in order to mesh with the American decision."

On August 28 Saskatchewan premier Grant Devine announced at the end of the premiers' conference in Saint John that his government would bring in retaliatory legislation against US tariffs on potash. Mr. Devine did not give details of the legislation, but received, in a final conference communiqué, support from all the other provincial premiers, who expressed concern over "recent protectionist actions" taken by the US (*Globe and Mail*, August 29).

In the Commons on August 31, International Trade Minister Pat Carney said, "[The US producers' dumping] action should never have been brought because the companies that brought the action against the Canadian producers account for less than 5 percent of the US production The United States only produces about 10 percent of

its own potash requirements. To bring an action against their major supplier does not make economic sense The people who will pay for this in the long run are the US farm producers and US consumers It is inconsistent with trading rules to bring this kind of action. That is the stand we have been taking in Washington."

On September 1 Saskatchewan Energy Minister Pat Smith introduced the potash resources act, which would allow the province to limit production by all Saskatchewan potash producers. A management board, to be appointed within a month, would allocate quotas to the mines. The legislation, said Ms Smith, was designed to hold down production in the hopes of seeing a rise in prices, and added, "This legislation is not zeroed in on the anti-dumping action. This legislation has to do with supply and demand, first of all. The anti-dumping is simply a symptom that came about because of the imbalance in the potash industry." Premier Devine said, "We have no choice. If the US is going to level this kind of protectionism and hurt against Canadians, then we are going to have to resort to the kind of power that allows us to deal with it with some sense of strength This is as strong a legislation as you've seen in Canada. It gives you complete control over the resource" (*Ottawa Citizen*, September 2).

On September 4 PCS announced that its potash export price to the US would increase by 60 percent, while domestic and other offshore prices would remain the same (*Globe and Mail*, September 5). Other potash producers were considering price increases as well, "simply because we cannot possibly absorb any duties imposed now on top of the losses we have incurred through the first half of 1987," according to one company president. However, a spokesman for the United Steel Workers of America — the main union of the Saskatchewan potash industry — said that US farmers could manage without most of the province's production for the coming fall season by using potash from New Brunswick, New Mexico, and two US-owned Saskatchewan potash producers (*Saskatoon Star-Phoenix*, September 9).

Meanwhile, the US Farm Bureau — the world's largest voluntary farmers' organization, consisting of 3.5 million member families — told a US senate committee that it was opposed to the US intervention in the potash market. Spokesman Don Rawlins said, "Before we were aware of what was going on, the US Department of Commerce had published its preliminary ruling Basically we indicated that we don't want to get the Canadians mad at us because 80 to 85 percent of our potash comes from Canada" (*Saskatoon Star-Phoenix*, September 10).

Premier Grant Devine went to New York in mid-September, where he told a fertilizer industry trade association, "The entire US agricultural industry will pay through the nose, hundreds of millions of dollars [for the potash ruling] Does it make sense for America?" Mr. Devine assured the industry representatives, "We're not in the business of embargoes; we're not planning to stop production." However, he said, as the world's largest potash exporter, Saskatchewan was prepared to take a leadership role in trying to combat the overproduction problem. "You

can manage [supply] both ways. You can close the tap, or you can open the tap We have tremendous excess capacity that is sitting there. We're not prepared to lose the market because of this situation. So we can manage supply either way, and we're quite prepared to do both" (*Globe and Mail*, September 15).

On September 23, after meeting with Prime Minister Brian Mulroney, Mr. Devine said, "The potash thing will take care of itself." He said the US reaction to the duties would help resolve the issue in Canada's favor: "I cannot find an American who thinks it's a bright idea Only two worn-out old mines" would benefit from the duties, he said. The same day in Washington, a spokesman for the US Commerce Department said that a final ruling had been postponed to January 8, 1988, at the request of the Canadian industry (*Ottawa Citizen*, September 24).

Softwood Lumber

The issue of Canadian softwood lumber exports to the US continued to be of interest during this 2-month period (See "International Canada" for June and July 1987). US Commerce Department statistics published in August showed that in the first six months of 1987 — the softwood export tax was imposed on January 8, 1987 — the value of taxable Canadian softwood shipped to the US declined, while the value of products subject to more lenient treatment increased dramatically, in some cases by more than 100 percent. Canadian officials said that this situation resulted from more precise classification of exports by Canadian exporters, made worth their while by the imposition of the 15 percent export tax. However, a US industry source said that a 50-percent increase in certain products might be legitimate, "but when you get into 150-percent jumps, you begin to have doubts and feel there could be hanky panky going on." While the value of the exempted products shipped was small (US\$109.5 million) compared with the value of the taxable softwood shipped during the 6-month period (US\$1.48 billion), the figures were presenting problems to US and Canadian negotiators, who were still trying to solve some problems in the softwood dispute (*Ottawa Citizen*, August 21).

While the free trade negotiations approached the October 3 deadline, International Trade Minister Pat Carney asked British Columbia Premier Bill Vander Zalm during a meeting with Prime Minister Brian Mulroney and the other provincial premiers, to wait until the deadline had passed before making any decision about increasing stumpage fees in British Columbia. Premier Vander Zalm, however, announced in mid-September that the province would be imposing higher stumpage fees as a means of replacing the federal government's 15-percent export tax. A September 17 *Globe and Mail* report said that Canadian and US free trade negotiators had yet to agree on how, or whether, the 15-percent export tax should be eliminated in a general tariff reduction expected in a free trade agreement. The report also said that there was no guarantee that the federal government would remove the tax for British Columbia producers, and quoted one External Affairs official as saying, "Provided we are prepared to go to a provin-

cially variable tax, we must now have discussions with British Columbia, evaluate their program and then initiate discussions with the United States It is for British Columbia to decide how to manage its forest resources." The official conceded, however, that taxing exports from different provinces at different rates would be administratively difficult. He also said that Canada had "not yet seen the light at the end of the tunnel" on the issue of exempted softwood products, which was being negotiated still. This would make it even more complicated to reopen at that time the January 1987 memorandum of understanding with the US to adjust the export tax for some provinces.

Steel

Figures reported in early August showed an improvement in the Canadian steel industry's position in the US market. Stelco Inc., Dofasco Inc., and Algoma Steel Corp. Ltd. all showed solid gains in profit and sales in the first half of 1987, an August 4 *Toronto Star* report said. "Access to the US market for fairly traded Canadian-produced steel continues to be of vital importance to the Canadian steel industry," said the Algoma Steel financial statement. "The corporation supports Canadian government initiatives to maintain access to the US market, whether through a free trade agreement or otherwise" (See "International Canada" for June and July 1987).

In mid-August, June figures from the US Commerce Department and the Canadian Department of External Affairs for Canadian steel exports to the US were almost identical: the US figure was 304,000 tonnes, the Canadian 304,980 tonnes. A spokesman for External Affairs said that 4,267 tonnes of the Canadian figure were shipped on temporary import bonds, and were returned to Canada after partial processing in the US (*Toronto Star*, August 15).

On August 17 the American Iron and Steel Institute (AISI) complained that, while overall steel imports to the US were down, imports from Canada "continued to rise sharply." The lobby group said that increased January to June imports from 22 countries who had not signed voluntary restraint agreements (VRAs) with the US "kept the 6-month total substantially above the target level of the VRA program [The increase in shipments by non-VRA countries] is almost exactly the margin by which imports exceeded the [VRA program's] target." Sheldon Wesson of the AISI said that Canada's share of the US steel market amounted to 4.21 percent in the period from January to June. AISI chairman Thomas Graham said that the VRA program "can never bring imports under adequate control as long as so many countries increase their shipments at will." Canadian steel makers continued to insist that they were trying to hold their market share at the traditional 3 percent, despite heavy demands by US manufacturers. The August 28 *Globe and Mail* report also said that an unpublished Canadian government document showed that the three largest Canadian steel producers — Stelco, Dofasco and Algoma — had turned down almost 94 percent of the requests made for steel by US companies in the first quarter of 1987, and 81 percent of the requests made in the last quarter of 1986.

The release of July figures in September saw the Canadian and US positions reversed. Canadian figures showed 288,042 tonnes exported to the US, while US figures showed 278,000 tonnes were imported from Canada. The July figures reflected the first month of 1987 in which Canadian shipments decreased over 1986, as well as a decline from a 1987 monthly high of 396,000 tonnes in January. Mr. Wesson of the AISI, however, said, "It is the year-to-date tally which is important, not month-to-month fluctuations The figures talk for themselves. I hesitate to draw any conclusions from the small monthly changes" (*Toronto Star*, September 12).

NDP Concerns

On August 11 the *Ottawa Citizen* reported that a US embassy labor officer had dismissed former NDP party secretary Gerald Caplan's concerns that the US Central Intelligence Agency (CIA) might interfere in a future NDP government of Canada. Mr. Caplan had made the remarks at the 56th annual Couchiching Conference in Orillia, Ontario. John Becker of the US embassy said, "I can tell you flat that we do not interfere in the internal affairs of an allied government and we certainly are not going to interfere in this country Whatever government Canada elects we will have good relations with that government." NDP president Johanna den Hertog said she did not share Mr. Caplan's concerns. "I think we're quite confident that our relations with the Americans are very good," she said.

Salmon Fishing

In the Commons on August 12 Audrey McLaughlin (NDP — Yukon) asked Fisheries Minister Tom Siddon whether he did not think the Canadian government should pursue aggressively its sovereignty with regard to the Pacific salmon resource. While 50 percent of the chinook salmon spawned in the Yukon River were spawned in Canada, she said, 93 percent were taken by Alaskans and only 7 percent by Yukoners. Mr. Siddon replied that, while the government was attempting to negotiate a successful annex to the Pacific Salmon Treaty, Alaskan fishermen were exceeding the normal quotas set within the Alaskan fishery. For that reason, the Minister said, he intended to consult with the External Affairs Minister on a strong, formal statement to the US government of Canada's concerns.

CP Rail Fined

The US Department of Immigration began proceedings in August against CP Rail for not preventing about fifty people, mostly Brazilians, from using the steel superstructure under a CP bridge between Niagara Falls, Ontario, and Niagara Falls, New York, to enter the US illegally. CP Rail spokesman Jim Barlow said that the company had motor

sensors on the bridge's tracks, but had never suspected that anyone would climb under the bridge and crawl across the gorge, 70 metres below. "They have to be crazy. It's a heck of a drop," he said. A spokesman for the US Department of Immigration said that, while the people had all been arrested in the US, US law placed the onus on the operators of bridges to the US to prevent people from using them illegally. The fine was US\$1,000 per violation, he said, adding that the people — seven of whom had been deported from the US the previous week — must have been desperate: "It is a very horrendous route to take into the United States," he said (*Globe and Mail*, August 21).

Beaufort Sea Drilling

In the Commons on September 3 Lloyd Axworthy (Lib. — Winnipeg-Fort Garry) asked Deputy Prime Minister Don Mazankowski whether the government would be representing Canada's interest in the Beaufort Sea, in light of an invitation for bids from the US Department of the Interior to drill on the Continental Shelf in the Beaufort Sea, including areas of Canadian territory. Mr. Mazankowski replied that he was not up to date on the question, and would take the question as notice. Mr. Axworthy then requested that he ask the Prime Minister to issue immediately a notice of protest to US President Ronald Reagan, since bids were to be considered as of January 1, 1988. A week later, Mr. Clark told the Commons that any bids having to do with disputed territory would be put in escrow until the dispute had been resolved, and that he had been in touch with the US government to remind them of this agreement, made in 1986.

Fermi II Nuclear Plant

The *Windsor Star* reported on September 9 that External Affairs Minister Joe Clark had written to Steven Langdon (NDP — Essex-Windsor) to inform him that the government considered the Fermi II nuclear plant — near Monroe, Michigan — to be properly regulated by the US Nuclear Regulatory Commission (NRC), which was strictly applying US regulatory requirements and bringing operational and management problems to the attention of the plant's owner. The NRC had decided to keep the plant at a maximum of 50-percent of power capacity until operational problems had been solved, the Minister said, and, meanwhile, Canadian officials would continue to monitor closely developments at the plant. Mr. Langdon said that this was not sufficient Canadian involvement, and that 5,000 residents of Essex County — ten kilometers across Lake Erie from the plant — had signed a petition calling for Canadian involvement in an independent investigation of the Fermi plant.

Albania

Diplomatic Relations Opened

On September 10 the Department of External Affairs announced that Canada had established diplomatic relations with the People's Socialist Republic of Albania. Canada's ambassador to Yugoslavia would be appointed envoy to Albania, the department's Soviet Union and Eastern European bureau director said. He added that no decision on Albanian representation in Canada had been made, and that Albania was interested in importing Canadian oil and gas equipment, galvanized wire, and geophysical equipment (External Affairs communiqué, September 10 and *Ottawa Citizen*, September 11).

Britain

Air Services Agreement

As the September 18 deadline for the negotiation of a new agreement between Canada and Great Britain on air transport approached (See "International Canada" for October and November 1986), Canadian negotiator Roland Dorsay and Air Canada spokesman Hugh Riopelle both expressed optimism that an agreement would be reached without an interruption of service (*Montreal Gazette*, September 10).

The negotiations continued until the 18th, with Mr. Clark and Minister of Transport John Crosbie announcing that day that an agreement had been reached. Both ministers expressed their satisfaction that a new and much modernized air agreement — one that was fair and equitable for both sides and "strengthened the ties between the two countries" — had been achieved.

Under the terms of the agreement, each country could designate its airlines to operate from any points in one country to any cities in the other. This type of "open skies" market entry represented a first for Canada in the international sphere, and was expected to lead to the establishment of new direct services from Canada to Britain. In addition, Canada gained the right for its carriers to carry traffic beyond London up to ten times weekly to any points in Western Europe — except Scandinavia, Italy, Greece and Berlin — whereas previously Canada had rights beyond London to only four points: Dusseldorf, Brussels, Zurich and Vienna. Canada also obtained new rights to a point in Algeria or Egypt.

As well, Canada gained the right to serve beyond London four times weekly to three points in Asia — excluding China, Japan, Hong Kong and Indonesia — which meant that Air Canada retained its route via London to Bombay and Singapore, with flexibility regarding extra points in Asia which could be served. Additional frequencies would be allowed subject to the agreement of the aeronautical authorities of both countries.

The British gained reciprocal rights to operate beyond Canada to the continental US, the Caribbean Islands, Cen-

tral America, Mexico — excluding Toronto-Mexico — as well as twice weekly beyond Vancouver to points in the Pacific.

The agreement also broke new ground with a progressive tariff regime which was open to innovative and low cost trans-Atlantic fares. The airlines would be free to set prices at low levels; travellers would benefit from fewer restrictions on booking requirements for discount fares; shippers would be able to take advantage of the total deregulation of Canada-Great Britain air cargo rates.

As part of the negotiations, the two countries also established a separate, new air agreement between Canada and Hong Kong. Both Canadian Airlines International and Cathay Pacific gained the right to operate as many flights as they wished between Vancouver and Hong Kong with increased opportunities for the Canadian carrier to serve other points in Asia and for Cathay Pacific to operate beyond Vancouver to Chicago and New York (Government of Canada communiqué, September 18, *Ottawa Citizen* September 19).

Bulgaria

Wrestlers Defect

Three Bulgarian men, participants in the world junior wrestling championships in Vancouver in September, asked the Canadian government for permission to remain in Canada. The three had slipped out of their living quarters through a window, and were staying in Vancouver with a third party. Immigration Department spokesman Jim Pashman said, "We've taken the request and forwarded it to Ottawa . . . There is nothing in the Immigration Act to cover defection, but that's what most people would call it . . . We have a special procedure for high-profile cases from certain countries. We would review the case before it got to the refugee claim process" (*Ottawa Citizen*, August 13).

China

Potash Sale

Saskatchewan Energy Minister Pat Smith announced on September 3 that a major sale of potash to China had brought the 1987 total sales to a record 850,000 tonnes. The sale was welcomed by the beleaguered Saskatchewan potash industry (See Bilateral Relations — US — Potash, above). An industry spokesman said that the market in China had improved since farmers there had realized the benefits of combining potash with the large amounts of nitrogen that they were already applying to their soil. He also said that the sale had been made in the face of stiff competition from East German, Soviet, Western European and Jordanian potash producers. "Because of our location, we have the lowest delivery cost, so the Chinese like to buy from us," the spokesman added (*Saskatoon Star-Phoenix*, September 5).

Leader's Son Visits Canada

Deng Pufang, the son of Chinese leader Deng Xiaoping, visited Canada for two weeks during September. The younger Mr. Deng was director-general of the China Welfare Fund for the Handicapped, and came to Canada to study Canadian facilities for the crippled. Mr. Deng, himself confined to a wheelchair as a result of injuries sustained during the Cultural Revolution, visited Ottawa Civic Hospital, where he had been treated for his injuries and which hosted his visit. Canadian officials said privately that the main reason for the visit was to raise funds for the handicapped in China (*Ottawa Citizen*, September 11).

France

Tax Assessment

A consortium of two private Canadian companies, a French government agency and a private French company which was building the world's first commercial nuclear mini-submarine, known as SAGA I, did not qualify as a Canadian scientific research tax credit project, according to Revenue Canada, which began legal action in August to recover \$44.2 million in unpaid taxes on unqualified capital expenditures.

The Revenue Canada decision was made despite a major diplomatic campaign by the French government to try to get the tax assessments dropped. "It is a serious problem," said Christopher Juillet, a scientific attaché at the French embassy in Ottawa. A prime concern of the French government was that Revenue Canada would seize the submarine, on which more than \$100 million had been spent, to satisfy the tax debt. A French official in Paris called Revenue Canada's actions narrow-minded, stupid and crazy, and said they were harmful to Canada-France relations. Revenue Minister Elmer MacKay said that he could not say whether the department would seize the submarine, since confidentiality of the Income Tax Act prevented him from discussing the case.

The consortium used seed money obtained from the Canadian scientific research tax credit program in 1984 to build the submarine — from a hull originally constructed by Jacques Cousteau — and a nuclear power plant to propel the submarine.

Part of the French campaign against the tax assessment had been a promise to help the Canadian government win a sought after membership in a European research and development program known as Eureka — a program which involved eighteen countries helping high-technology industries meet the challenge of competing with US and Japanese companies. Prime Minister Brian Mulroney, during a 1986 visit to Paris, had raised with the French the possibility of Canada's joining Eureka. The French response had been discouraging, but Canadian officials remained optimistic about future membership.

Some Canadian sources expressed concern that the submarine project had provided a chance for Canada to benefit from French oceanic expertise, and if the venture

failed because of the Revenue Canada decision, the incident could set back scientific cooperation between the two countries for years (*Globe and Mail*, August 1).

Fishing Dispute

In late August French Premier Jacques Chirac said in Paris before an official visit to Canada that he would take a tough stand in the dispute over fishing rights around the French islands of St. Pierre and Miquelon (See "International Canada" for June and July 1987). "This contentious issue, a little bit sensationalist, is worrying," the premier said (*Ottawa Citizen*, August 28). He also referred to France's "affectionate" relations with Canada. "Our economic relations with Canada are not what they should be. They have been marred by a number of disappointments. We have a long way to go. It's a question of putting our economic relations on the same plane as our political relations," M. Chirac said (*Globe and Mail*, August 28).

M. Chirac met with Prime Minister Brian Mulroney on August 30 at Meech Lake, Quebec. After the meeting M. Chirac announced that the impasse in the negotiations over St. Pierre-Miquelon had been broken by Mr. Mulroney's agreement to change Canada's negotiating team. Montreal lawyer Yves Fortier was named to represent Canada in the talks. M. Chirac said he hoped a settlement could be reached in a few weeks' time. Mr. Mulroney said he thought Mr. Fortier could bring a fresh approach to the talks, since he came to them from outside the public service and "has nothing to do with the quarrels and the difficulties [of the past] I think there will be a new approach on both parts." The negotiations had ceased in March, when Canada closed its east coast ports to French fishing vessels (*Globe and Mail*, August 31).

Transport Minister John Crosbie told the Commons on August 31 that there would be no changes in Canada's proposals when the negotiations resumed. Mr. Crosbie also refused opposition demands to decrease the amount of fish available to the French fleet. Bill Rompkey (Lib., Grand Falls-White Bay-Labrador) had told the Minister that the Newfoundland small-boat fishery was in a crisis because there were shortages of cod caused by French overfishing.

It was announced in early September that France's chief negotiator in the fishing dispute, Gilbert Guillaume, would be nominated to the World Court in The Hague, the body that was likely to decide on the boundary aspect of the France-Canada dispute. Canada did not object to the UN nomination, and Prime Minister Brian Mulroney said that "Canada recognizes Mr. Guillaume's talents as an international jurist." M. Guillaume, who was director of legal affairs in the French foreign ministry, had argued repeatedly that France's request for higher quotas was not excessive, and that Canada had reacted emotionally to the issue (*Globe and Mail*, September 11).

Chief Canadian negotiator Yves Fortier said on September 13, after the first day of the new round of talks, that he felt optimistic about a settlement's being reached regarding French cod quotas in the Gulf (*Globe and Mail*, September 14). However, the two sides reached no agreement on quotas after the next day's 9-hour meeting in Paris; they agreed only to a news blackout on the issue until the next

meeting in Ottawa from October 6 to 8 (*Globe and Mail*, September 15).

Newfoundland Premier Brian Peckford announced a dramatic turn of events on September 17. Newfoundland had left its advisory role and walked out of the fish dispute negotiations because the Canadian government was willing to give away valuable fish stocks off the coast of Newfoundland to France in return for an agreement to settle the boundary dispute around St. Pierre-Miquelon. "How come Newfoundland is being used as a lever to get [the French] to the table on the boundary? It's a Canadian boundary. It's not a Newfoundland boundary The best way to deal with France is to be tough in our terms and I don't think Ottawa has seriously entertained that kind of an approach," the Premier said. Fisheries Minister Tom Siddon told the Fisheries Council of Canada in Halifax that "The importance of resolving [the boundary dispute] is very much an interest of [Newfoundland]. The participation of [the Newfoundland] government in this process is not only desirable but we would hope to see it continue" (*Ottawa Citizen*, September 18). External Affairs Minister Joe Clark told the Commons on September 17 that Mr. Peckford's decision to withdraw Newfoundland from the talks had been linked to the federal government's refusal to make him a member of the Canadian negotiating team instead of an advisor. The Minister added that the Canadian government would not give any province the right to veto international agreements on subjects that came under federal jurisdiction. The negotiations with France would continue with or without Newfoundland, Mr. Clark said.

Near the end of September Transport Minister John Crosbie said that if Canada did not offer a small amount of cod to the French fleet, the French could be awarded a much larger amount by international arbitration. The amount being offered was less than the French were taking at the time, under a Canada-EEC agreement (*Ottawa Citizen*, September 29). The Minister also told the Commons on September 29, "We are at the bargaining table. We are protecting Newfoundland and Atlantic Canada and we are going to do so until the end!"

India

Terrorism Charged

In early August the Canadian High Commission in New Delhi warned all Canadians resident there to be extremely careful during the celebrations which were to begin on August 15 to mark the fortieth anniversary of Indian independence. The Canadian mission verified persistent Indian intelligence linking the Canadian Sikh community to intended disruptions of the celebrations. "All I can say is that we are aware of the Indian reports and that we are monitoring the situation," said Gary Smith, Canadian Deputy High Commissioner, on August 12 (*Globe and Mail*, August 13).

On September 4 a man identified as a Sikh from Canada was arrested as he tried to cross from India to Pakistan. The man, Daljit Singh of Toronto, was said by Indian border police to have been a member of the World Sikh Organiza-

tion, which was alleged by Indian officials to have been financing terrorist activities in India. Daljit Singh was also said by the police to have crossed illegally into India from Pakistan a month earlier. A spokesman for External Affairs in Ottawa said the New Delhi mission was looking into the incident (*Globe and Mail*, September 5).

While Canadian authorities were unable to visit Daljit Singh in jail, a former justice of the Bombay high court said, "I am afraid our anti-terrorist laws are rather Draconian. The police are not required to bring any charges against him. They can hold him for a year without any difficulty, and probably much longer if they really care to It is the detainee who must show the magistrate the charge is groundless. The onus is entirely on him. Police don't have to show any evidence or make a case against him. He must prove beyond all doubt that he cannot possibly be guilty." A lawyer for the Peoples Union of Democratic Rights in New Delhi said that under the 1985 Terrorist and Disruptive Activities Act, Daljit Singh would not have been technically charged with any crime: "He is not really an 'accused' man in the normal sense. [The Act] is a preventive measure on the part of the state. He is not charged, merely kept out of circulation. Therefore there can be no question of a trial. And therefore no protections are available. Your Canadian is a man without a charge-sheet. In India, a man with no charge-sheet is a man with no rights." Police in New Delhi said that Daljit Singh had admitted to being a member of the World Sikh Organization, but a spokesman for the group in Toronto said they did not know him and called the Indian police allegations of Canadian Sikhs funding terrorist acts in India "utter nonsense." Indian police said that Daljit Singh had helped another man to smuggle ten guns across the border from Pakistan. Daljit Singh's family said that he was too busy with his job in a mattress factory to spend time on Punjab politics (*Globe and Mail*, September 15).

On September 17 a spokesman for the Canadian High Commission in New Delhi said the mission had dismissed Indian charges that the mission had submitted "insufficient information" to prove the citizenship of Daljit Singh, who had been held incommunicado for two weeks. "We have given them everything they wanted," said spokesman Renata Wielgosz. "They have had detailed information since [September 14], and the photograph was given to the Indian High Commission in Ottawa as soon as it was asked for. The strange thing is that the Indians are the ones who said he was a Canadian in the first place We just read it in the newspapers and said, 'Well, if you say he's a Canadian, we'd like to see him right away.' Then they demanded that we prove his identity We have delivered three formal diplomatic notes, with his passport number, date and place of birth, and complete physical description. They all match up exactly with the information that the detained man has provided to the Indians" (*Globe and Mail*, September 18).

As Daljit Singh spent another week incommunicado in an Indian jail, India's Deputy High Commissioner in Ottawa said that "anyone arrested in India, regardless of nationality or political affiliations, will have to be produced before a magistrate within twenty-four hours, who may or may not

order . . . police custody." Custody without charges, he added, could not exceed three months and all arrested persons had a right to legal counsel. However, this statement was contradicted by Mr. D.K. Maitra, director of the Indian external affairs ministry's information department in New Delhi. "I am afraid that our diplomats have confused normal legal practices with this special act It is true, normally, that people must be brought into court within twenty-four hours, but that's obviously not the case for terrorists." The special legislation overrode the three-month limit on detainment without charges, he added, and in fact suspected terrorists could be detained for up to two years with the approval of special courts that met in closed session and could accept evidence from anonymous witnesses. A Canadian diplomat in New Delhi said, "If we can't even get in to see [Daljit Singh] with all the diplomatic notes and the Vienna Convention behind us, you can assume that no lawyer can get to him, either."

While the Canadian mission waited for the Indian authorities to cooperate, Canadian High Commissioner James Harris launched a campaign of daily telephone calls to the external affairs ministry in New Delhi, to no avail. Another Canadian at the mission said, "The Indians act as if we are trying to set this guy free. We argue that our only interest is to ensure that he gets legal counsel and a fair trial. But they seem to believe we are trying to prove his innocence" (*Globe and Mail*, September 25).

Finally, at the end of September, Canadian officials announced that they had been allowed to visit the man, now identified as Daljit Singh Sekhon, in jail. He said that he had not requested legal counsel or asked to see a representative of the Canadian mission. He said that he was well and could have visitors. Indian police said he had made a full confession to gun-running from Pakistan, but they admitted that the confession had followed five days of interrogation by a special police anti-terrorist squad. A spokesman for External Affairs said that it was not clear what would happen to Mr. Sekhon under Indian law (*Ottawa Citizen*, October 1).

Clark Visit to Africa

Itinerary

In early August External Affairs Minister Joe Clark announced that he would spend five days from August 10 to 15 visiting four African countries. In Ivory Coast, he would convey the views of the Canadian government on the approaching Francophone Summit (See Multilateral Relations — *La francophonie*, below), as well as the economic situation in Africa, the question of commodity prices, and developments in southern Africa (External Affairs communiqué, August 5).

Mr. Clark would go next to Zambia to hold discussions with President Kenneth Kaunda, particularly on the ways in which the Commonwealth could maintain its leading role in contributing to the dismantling of apartheid and bringing about non-racial representative government in South Africa. Mr. Kaunda had recently been elected as chairman of the Organization of African Unity. The two were also to meet with leaders of the African National Congress in Lusaka (External Affairs communiqué, August 5).

President Joaquim Chissano would host Mr. Clark's visit to Mozambique, where the two men would discuss the economic and political situation in that country. They would review the assistance that Canada was making available both to help relieve famine and to contribute to Mozambique's long-term economic development. Mr. Clark would invite the minister of government of Mozambique to attend the Commonwealth conference in Vancouver because of the importance of Mozambique in any discussion by heads of governments about the situation in southern Africa (External Affairs communiqué, August 5).

During his visit to South Africa, Mr. Clark would meet with the minister of foreign affairs, R.F. Botha, in order to convey in person to the South African government Canada's position on apartheid. Mr. Clark stated before he left for Africa his intention on behalf of the Canadian government to continue to exert pressure on the South African government to dismantle its policy of apartheid and achieve an early, peaceful and negotiated solution to the South African crisis. Since it was more than a year since South Africa's rejection of the Commonwealth Eminent Persons Group invitation to dialogue, Mr. Clark hoped to hear from Mr. Botha about South Africa's intentions to initiate fundamental change and to talk with leaders who had widespread support among the South African black majority (External Affairs communiqué, August 5).

Pre-Visit Controversy

The South African embassy in Ottawa responded immediately to Mr. Clark's announcement that he would visit South Africa. A statement issued on behalf of R.F. Botha said that Mr. Clark would not be welcome in South Africa "if he wishes to use his visit to buttress preconceived ideas Mr. Clark must learn that he cannot prescribe to us It is for him to decide if he still wishes to visit South Africa He is welcome to come and discuss matters with us. He is not welcome if he wishes to stage a circus." Mr. Clark responded by saying, "Mr. Botha knows our position on South Africa and dialogue. They have been expressed both publicly and to him by our ambassador. I continue to believe there would be value in a meeting between us. If I am not welcome that is a decision for him to make" (*Globe and Mail*, August 6). The External Affairs Minister also remarked, "I am not Ringling Brothers. I am the minister of external affairs of a country that has taken a leadership role against apartheid." Mr. Clark had also written to request permission to see imprisoned ANC leader Nelson Mandela, who was marking twenty-five years in a South African prison at the beginning of August, and said that he had not received a reply. The Pretoria government was under the impression that the request had been refused, the *Ottawa Citizen* reported on August 7.

Meanwhile, Mr. Clark's spokesman said that no changes had been made in the Minister's plans. Mr. Botha, however, lashed out at Canada again in a letter to Mr. Clark in which he said that he found Canada's involvement in anti-South African campaigns "offensive." A spokesman for the government in Cape Town said the letter also claimed that "a majority of Commonwealth members were ill-informed or not informed at all of the realities in South and southern Africa." On August 8 the pro-government Johan-

nesburg newspaper *The Citizen* quoted unnamed diplomatic sources as saying that Clark's visit "is being regarded as little more than a joke" by officials in Pretoria (*Toronto Star*, August 9). In addition, the leader of the official opposition party in South Africa, Conservative Tom Langley, criticized Mr. Botha for doing an "egg-dance" around the fact that Mr. Clark would be meeting "senior members of the ANC in Lusaka." Mr. Langley added that it was clear that Mr. Clark intended to focus on South Africa's domestic affairs in a non-friendly manner, and his party would under no circumstances accept any interference in South Africa's internal affairs (*Globe and Mail*, August 11).

Ivory Coast

Mr. Clark spent August 11 in Abidjan, Ivory Coast, meeting with both the republic's minister of foreign affairs, Siméon Aké, and its president, Félix Houphouët-Boigny (External Affairs communiqué, August 12). The Minister told a news conference after his meetings, "We hope that we will, in [both the Commonwealth and Francophone] summits, continue pressing for peaceful change in South Africa and an end to the apartheid system." Mr. Clark also said that he held authority from the Cabinet to take other actions against South Africa in addition to the economic sanctions Canada had already adopted, but he did not expect to introduce these in the near future. He did not specify what those actions were (*Globe and Mail*, August 12).

Zambia

The Minister spent two days in Lusaka, the capital of Zambia, on August 12 and 13. He held talks with both President Kenneth Kaunda and Foreign Minister Luke Mwananshiku. After his meeting with Mr. Kaunda, Mr. Clark said, "I deeply appreciate my detailed discussion with President Kaunda last night. His knowledge, experience and wisdom on African issues in general, and the southern African situation, in particular, have provided me with insight valuable to Canada in chairing the forthcoming summits" (External Affairs communiqué, August 13).

Mr. Clark met in Lusaka on August 13 with exiled ANC secretary-general Alfred Nzo and Tom Sebina, a senior ANC official. ANC president Oliver Tambo was unable to meet Mr. Clark, as had been originally planned. In an interview the night before Mr. Clark's arrival in Lusaka, Mr. Sebina said that he and Mr. Nzo would tell Mr. Clark that "you cannot just go on talking to South Africa . . . because the talking hasn't achieved anything . . . The only meaningful stance to take as a minimum first step is to break completely diplomatic relations." He also said Canada should stop giving money for the education of blacks in South Africa: "It's OK to give money for scholarships and school uniforms, but the education system hasn't changed and the kids are still being educated in a system they reject . . . We are dealing with people who will play tough because they fear new ideas. The only way of making them feel [pressure] is by doing something . . . If you are going to continue to spit words at them, they will just look aside and laugh at you . . . Without a commitment, a very serious commitment, from the Western world, it will take us longer to undertake the process of dismantling apartheid in South Africa and it's going to make it more painful for everyone

inside the country. There's a possibility of turning that country into ashes" (*Globe and Mail*, August 12).

Mozambique

On August 14 Mr. Clark held discussions with the president, prime minister and foreign minister of Mozambique in the capital, Maputo. During the discussions, Mr. Clark and Foreign Minister Pascoal Mocumbi signed a Memorandum of understanding for the provision of \$15 million in food aid by CIDA in 1987 to Mozambique. Mozambique had been designated by the UN as one of the least-developed countries in the world, with drought, famine and an intensifying insurgent war seriously affecting an estimated 4.5 million of Mozambique's 14 million people. In addition, at least 1.5 million were homeless in Mozambique, and large numbers had sought refuge in Malawi and Zimbabwe. "Recent events in Mozambique . . . call for urgent delivery of Canadian aid to those in greatest need," said Mr. Clark in announcing the variety of ways in which the \$15 million in food aid would be provided. Canada had given \$30 million in assistance to Mozambique in 1986-87 to date, including \$6.7 million in food aid and \$20 million to restore and expand transportation and communications (External Affairs communiqué, August 13).

Following his meeting with ANC leaders, Mr. Clark told a news conference, "I have not encountered, in my various conversations with the leaders of the African National Congress, advocates or devotees of violence. I believe it is an organization that would prefer to seek peaceful solutions . . . Obviously there are some people in the ANC who admit to and espouse a Marxist view. But that is a very different thing from saying it is a Communist organization. I do not believe it is a Communist organization and I do not believe it is an organization controlled by Communists . . . The system of apartheid is at the root of violence in southern Africa" (*Globe and Mail*, August 14).

South Africa

On the eve of Mr. Clark's 8-hour visit to South Africa, the pro-government Johannesburg newspaper *The Citizen* ran an editorial saying, "Like others who have come here to tell us what we must do, Mr. Clark will find that he will get nowhere. We don't know whether Canadians use the expression 'Get lost,' but it's the advice we offer Mr. Clark" (*Ottawa Citizen*, August 14).

Also on the eve of Mr. Clark's visit, four Canadian Cree Indians from Saskatchewan, flown to South Africa by the Pretoria government, told a Pretoria-sponsored international news conference that Canada should "clean up its own back yard" before criticizing South Africa. "Let me tell you, they have a lot to clean up," said Gerald Wuttunee, a former chief of the Red Pheasant band near North Battleford, Saskatchewan. "There's violations of basic human rights . . . It's a sad thing to have to go to another country to tell what is happening back in Canada. But this is one of the reasons I have come here." South African officials said that it was a 'mere coincidence' that the visit by the Crees coincided with that of External Affairs Minister Joe Clark. The four were treated to a reception at a Pretoria hotel after being met at the airport by Glenn Babb, former South African ambassador to Canada (*Toronto Star*, August 14).

Mr. Clark was met at Johannesburg airport by South African deputy foreign minister Koebus Meiring. He then held talks with Foreign Minister Botha, during which Mr. Botha rejected Mr. Clark's view that the ANC was neither a Communist organization nor at the root of violence in southern Africa. Mr. Botha also told Mr. Clark that "threats, sanctions, punitive measures" would delay reform in South Africa. "If the Canadian government continues on this course to adopt this very high profile in pursuing actions against this country, certainly Canada is interfering in this country." After seeing Mr. Clark off, Mr. Botha added that he did "not understand why the West expects negotiations that will inevitably lead to a Marxist regime in this country," and that Canada should "clean up its own back yard" in regard to its treatment of native peoples. Although Mr. Clark denied that the Canadian government was racist towards native peoples, and that they had the right to vote, which blacks in South Africa did not have, Mr. Botha said, "That was not my main concern. My main concern was if you look at the infant mortality rate, at the housing conditions and employment conditions and the general social conditions of the Canadian Indians, it is rather hard . . . to accept that a powerful nation like Canada with all its wealth cannot do more about this problem." Before leaving Pretoria airport, Mr. Clark reiterated his position on the differences between Canadian native peoples and South African blacks, and said he felt no "embarrassment" over the claims made in Pretoria by visiting Cree leaders.

During his brief visit, Mr. Clark met at the Canadian ambassador's residence with leaders of the United Democratic Front, a legal anti-apartheid organization in South Africa. Rev. Allan Boesak asked Mr. Clark to seek international agreement on a ban on air links with South Africa. Mr. Boesak called such a ban, which had been rejected by British Prime Minister Margaret Thatcher, "one of the things that can make its impact felt in a fairly short period of time" (*Globe and Mail*, August 15).

On his return from Africa on August 15, Mr. Clark said the apartheid issue would dominate the Francophone and Commonwealth summits, and that his discussions with black African leaders had confirmed Canada's position of authority in summit discussions on apartheid and the situation in southern Africa. However, Mr. Clark said, he had no progress to report from the trip, and had no reason to expect any breakthroughs in the foreseeable future. "That's what I said when I left, and that's what I say when I come home, because there were no dramatic results . . . I don't have much confidence this Saturday afternoon in August that there is in sight a particular format or approach that would be acceptable to all the people that need to accept it" (*Toronto Star*, August 16).

In the Commons on August 17, Mr. Clark told Howard McCurdy (NDP — Windsor-Walkerville) that the important developments from his visit to southern Africa were that "the ANC recognizes that it is not the only group representing South African blacks that must be involved in any negotiations," and that "neither the government of South Africa nor the ANC have closed the door on future negotiations."

South Africa

Oliver Tambo Visit

Exiled ANC president Oliver Tambo came to Canada on August 26, and met during a 4-day visit with various Canadian leaders, including Prime Minister Brian Mulroney, Opposition leader John Turner, NDP leader Ed Broadbent, CLC president Shirley Carr, and External Affairs Minister Joe Clark. In a CBC Radio interview following his meeting with the Prime Minister, Mr. Tambo said, "We are waging an armed struggle which has been recognized by the United Nations as legitimate . . . against a vile system, an inhuman system, a violent system, and we are entitled to fight that system with everything that we can to destroy it in the interests of humanity because it is perpetrating a crime against humanity . . . The idea that we are violent and apartheid is not violent is of course being promoted by the Pretoria regime, for understandable reasons" (External Affairs transcript, August 28). In an interview with Global Television News, Mr. Tambo said, "We most certainly think Canada can go much further than she has . . . There is a point beyond which [South Africa] cannot resist serious international pressures because it would affect the economy, it would affect the apartheid system" (External Affairs transcript, August 28). And in a third interview, this with CBC Television, Mr. Tambo said — following a rally in Toronto attended by 2,000 people in support of the ANC — that "It is true that the first victims of sanctions, the first people to be affected by sanctions, the victims would be the blacks. But remember that the blacks are not just the *first* victims of apartheid, they're the only victims of apartheid. And this is a crime. You see if you want to end apartheid, you can't say you don't want to suffer in the process. You've got to be able to take the consequences of a struggle to end apartheid. And it is going to result in unemployment [but] when apartheid has ended, people will get employment . . . Opposition to violence is not peculiar to Canadians. I'm opposed to violence. That doesn't mean I'm not going to be involved. It doesn't mean I'm not going to be a victim of violence . . . Apartheid is itself violent. It can only sustain itself through violence and oppression. Physically, it has killed many people. It has killed many children. It has starved many . . . Where in the world has a government ordered its troops to shoot down children because they were throwing a stone at one of the soldiers? What about the Soweto massacre? We haven't forgotten, but why has it disappeared in the minds of people? That is the system under which we live . . . Why is it so strange that the blacks should want to fight back?" (External Affairs transcript, August 30).

On August 28 the South African Embassy placed a near full-page advertisement in the *Globe and Mail* with the headline, "Oliver Tambo — Obstacle to Peace?" The day after the advertisement appeared, without the photographs that the Embassy had submitted to accompany the text, the newspaper received a complaint from the Embassy that the advertisement had not been run as submitted. The *Globe and Mail's* managing editor, Geoffrey Stevens, said the pictures of two child victims of violence were "not only in

bad taste but exploitative," and that they would not have been used even in a news story. The Embassy had agreed to a condition set by the newspaper that their advertisement would be scanned by editorial staff for accuracy and good taste. The placing of the advertisement coincided with Mr. Tambo's visit to Canada, and also with an August 29 imposition of new curbs on media in South Africa which empowered the government to bypass the courts in banning or censoring newspapers that it believed to be inciting the public against it (*Globe and Mail*, August 29).

Sanctions and Frontline Aid

British Foreign Secretary Sir Geoffrey Howe said during a visit to Canada in early September that Canada's use of economic sanctions against South Africa would not result in the dismantling of apartheid, and that Canada had shrunk from providing military aid to the frontline states in southern Africa, while Britain was giving aid to them. Mr. Howe emphasized that Britain shared Canada's "repugnance of apartheid," but that the peaceful end to the system would come only by putting pressure on liberal elements within the ruling white regime. "There is no evidence sanctions have been effective . . . It's in South Africa that change has to come. There are important strains of opinion within the South African government that do appreciate the need for change and we have to contact that opinion," he said.

In London on September 9, Canadian High Commissioner Roy McMurtry said following a meeting of the Commonwealth committee on southern Africa that visits by both Prime Minister Brian Mulroney and External Affairs Minister Joe Clark to southern Africa in 1987 had "demonstrated the determination of the Canadian government to take a leadership role" on the issue of "non-lethal" military aid to the frontline southern African states. "To me, Canadian assistance could send a very important message to the international community, that South Africa is still an important priority," Mr. McMurtry said. He did not specify what form the aid would take, but he did say, "It would be funding for the frontline states to help themselves," and could pay for anything "non-lethal . . . from boots to jeeps" (*Toronto Star*, September 10).

Mr. McMurtry's comments on military aid for frontline states were expanded upon by External Affairs Minister Joe Clark on September 10. The Minister said, "We do contemplate taking a hard look at whether or not we can cooperate with other countries in a way that will contribute to durable stability in the frontline states . . . Some of those other countries have a different policy with respect to military aid. It may be that we would be involved in some kind of support system but it would not be what most reasonable people would describe as military aid."

Liberal leader John Turner said in a speech to the Liberal international conference that Canada should impose complete economic sanctions on the white minority government in South Africa, even if the other Commonwealth countries did not agree at the Commonwealth conference to be held in October. "The government of South Africa can have no legitimacy as a participant in the family of nations — with all the rights and privileges that go with it — if it persists in pursuing a policy of apartheid . . . What

sets South Africa apart is that it is the only nation in the world that has adopted institutionalized racism by writing apartheid into its constitution, into its legal system and into every aspect of its society. This action is an affront to human dignity," Mr. Turner said, calling for a severing of all diplomatic ties with South Africa as well (*Ottawa Citizen*, September 10).

Mr. Turner's remarks drew an angry response from the South African Embassy. A statement on September 10 said, "Mr. Turner today passed judgment on an independent sovereign nation without ever having set foot upon its soil or having held meaningful discussions with any member of its government. The sources of information upon which he based his remarks must accordingly be suspect" (*Ottawa Citizen*, September 11).

The issue of aid to the frontline states was raised again in London on September 14 by Commonwealth Secretary General Sir Shridath Ramphal. Mr. Ramphal said that Canada, Australia, Britain, India and Nigeria should consider providing sophisticated communications systems and helicopter patrols to safeguard transportation corridors from rebels backed by South Africa. "It is futile to pour millions into shoring up transportation links [only to have them] blown up by South African-backed contra-type operations." He agreed that Commonwealth military assistance "must be defensive," but added that it could take the form of "helicopter patrols over the Beira corridor" — the rail link between Harare and the Mozambique coast — rather than military supplies or training. Mr. Ramphal also said that there was "no way a split can be avoided" between Britain and the rest of the Commonwealth over South Africa. "Britain isn't going to be part of economic sanctions." However, he said, "it is not as if these [other measures] are alternatives. Commonwealth leaders will be pursuing a dual-track approach and one of those tracks will be sanctions," and given the certain lack of consensus on imposing even limited sanctions, it was important that at least one southern Africa initiative received unanimous support (*Globe and Mail*, September 15).

Prime Minister Robert Mugabe of Zimbabwe said on September 18 that while the frontline states would welcome strategic assistance from Commonwealth countries, they would not do so if such measures were a ploy for wealthy nations to back away from sanctions against South Africa. Any effort to shift the anti-apartheid focus away from sanctions would be "unreasonable" and "wrong," Mr. Mugabe said, and "what we reject is that aid should be a substitution for sanctions against South Africa. It's just the wrong way of doing it . . . We must search for the cure." He quoted Zambian President Kenneth Kaunda as saying that such aid on its own "is just like fattening us for the slaughter." Mr. Mugabe also said that international assistance would undoubtedly aid in maintaining the Beira corridor, but that guerrillas would go on blowing up railway bridges for as long as South Africa was in a position to support them (*Globe and Mail*, September 19).

At the United Nations on September 23, External Affairs Minister Joe Clark presented the second volume of the Canadian Anti-Apartheid Register to UN Secretary General Javier Pérez de Cuellar (See "International Canada" for April and May 1987). The second volume covered

the period from April 1986 to August 1987, and contained the names of some 5,000 Canadian individuals, firms, organizations and municipal governments who had written to Mr. Clark indicating actions they had taken to demonstrate their opposition to apartheid. In presenting the register, the Minister reaffirmed Canada's continuing opposition to apartheid and commitment to effecting fundamental change in South Africa (Permanent Mission to the United Nations communiqué, September 23).

The same day, Johannes de Klerk, South African Ambassador to Canada, told the editorial board of the *Edmonton Journal*, "I admit that apartheid doesn't work, that it's wrong, also that it's morally reprehensible to discriminate between people on the basis of race, [however], if you go too fast, you might have a revolution by the white right-wing extremists." Stiffer economic sanctions imposed by Commonwealth members would be "dangerous, because you are playing into the hands of the radicals — radicals on the right and radicals on the left." International pressure to change his country's system only encouraged the Afrikaners' resistance to reform. "The Commonwealth can make its greatest contribution [by] assisting southern African countries with economic development and secondly, lifting sanctions" (*Ottawa Citizen*, September 25).

Finally, South Africa's Deputy Foreign Minister Koebus Meiring said during a visit to Ottawa that his country was trying to help the frontline states, and aid from other countries would ease the burden on South Africa of carrying their moribund economies. "What we really want to have in those countries is good, orderly government, whether it is Marxist or whatever," he said (*Toronto Star*, September 29).

The Vatican

Papal Visit

A long-awaited visit by Pope John Paul II to Fort Simp-

son in the Northwest Territories took place on September 20. Bad weather had prevented the Pope from keeping his commitment to Fort Simpson during his 1984 tour of Canada.

The Pope was greeted at the airport by Governor General Jeanne Sauvé. He then told a gathering of about 3,000 mostly native people that he believed the Canadian government should grant northern natives self-government to ensure their survival as a people, and he prayed the government would reopen talks with native leaders on entrenching native rights in the Canadian constitution.

A sacred fire of cedar logs burned during the papal mass as the pontiff spoke of the native peoples' "love and caring" for their land and the spirituality of nature. Many elderly natives spoke of the special bond between the Pope and their people. "They called us savages and said we were superstitious because the white man did not understand us. All he brought us was alcohol to poison our minds and our spirits," said Francesca Antoine, but "we knew God long before the white man came here . . . We talk to the trees and the mountains and the rivers because we know the spirit is in the land. The Holy Father knows that. He has touched us all by coming here."

The Pope departed for the Vatican from Edmonton a few hours later.

George Erasmus, leader of the Assembly of First Nations, said after the Pope's address, "Generally we were fairly pleased" with the Pope's statements on self-government and constitutional rights. However, he said, "there are still a lot of bad feelings" between the Roman Catholic Church and native peoples. "Reconciliation with the church is going to take a long time. The Pope's visit will help, but we can't just wipe that history away in one day" (*Ottawa Citizen* and *Globe and Mail*, September 21).

Multilateral Relations

Commonwealth

Women's Affairs Conference

In early August Canada's Minister Responsible for Women's Affairs, Barbara McDougall, attended the second meeting of Commonwealth ministers responsible for women's affairs in Harare, Zimbabwe. The conference was attended by twenty ministers and thirty-five delegations, out of forty-nine Commonwealth countries.

The conference delegates concentrated on women's role in economic development and on violence against women. They were not pleased with the original draft of the action plan presented to them by Commonwealth Secretary General Sir Shridath Ramphal, and sent it back to the Commonwealth secretariat to be rewritten, saying they had

found it presented a secretariat view that was inadequate and insensitive. They demanded secretariat guidelines and policies for appreciation of women's issues within the Commonwealth bureaucracy. "We have laid the foundation for government to change social attitudes through legislation and public awareness," said conference chairman Teurai Mujuru, Zimbabwe's minister of women's affairs.

Ms McDougall said after the conference that the group intended to have its action plan approved at the full Commonwealth conference in October. "I have a strong mandate from our prime minister and I'm sure that all heads of government will get a strong and clear message from their women's affairs ministers that we mean business, that we are contributors and that they ignore us at their peril . . . The Commonwealth is actually a good vehicle, springboard

to other international forums through the heads of government." She indicated that the conference action plan, once rewritten, would be carried around the world as a blueprint. "What we focused on essentially was women as contributors and participants in economic development; not women as recipients of some kind of social assistance" (*Ottawa Citizen*, August 6).

Conference for Young Leaders

At a Commonwealth Conference for Young Leaders, held in Ottawa in mid-September, External Affairs Minister Joe Clark said in a speech to delegates that the Commonwealth often had to choose, on difficult issues, between staying united and being effective. "In some cases, obviously we are most effective by being united. In others, unity must prevail, even at the cost of action. But it is Canada's view that, on the question of fighting apartheid, it is more important that the Commonwealth be effective than united The pressure against apartheid, by the Commonwealth and others, has unquestionably been effective both economically and psychologically South Africa hopes there will be a pause in that pressure. They hope that a disagreement about sanctions will divert us from our central task of continuing to build the pressures that could end apartheid. There can be no pause in that pressure — there can be no levelling off. Our duty is to find effective means to hasten the end of apartheid and to sustain those who fight on the front lines" (External Affairs communiqué, September 14).

The conference concluded with delegates urging Canada and other Commonwealth countries to move immediately to give military aid to the frontline states of southern Africa. They said the aid should consist of more than "boots and jeeps," a reference to comments made by Roy McMurtry, Canada's high commissioner to London (See *Bilateral Relations — South Africa*, above). They were, however, not specific as to what form the aid should take.

In addition, delegates urged a Commonwealth boycott of South African cultural and sporting events, and selected economic sanctions aimed at the most vulnerable sectors of the South African economy.

Delegates also passed unanimously a resolution urging the federal and provincial governments of Canada to reopen constitutional talks with Canadian native people.

More than seventy representatives from thirty-six countries attended the conference, which was organized by the Royal Commonwealth Society of Ottawa. The youth leaders' recommendations would be passed on to the Commonwealth heads of government for their October meeting in Vancouver (*Ottawa Citizen*, September 14).

OAS

Inter-American Ministers of Agriculture Meet

On August 24 Agriculture Minister John Wise announced that the ninth Inter-American Conference of Ministers of Agriculture and the Board meeting of the Inter-American Institute for Cooperation in Agriculture (IICA) — a multilateral technical agency of the Organization of American States (OAS) — would be held in Ottawa from August

31 to September 4. Twenty-nine ministers from the Caribbean and the Americas were expected to attend the conference, which was expected to focus on concerns about debt, development assistance, regional cooperation, technology transfer, joint research and the liberalization of international agricultural trade. Canada had been a member of IICA since 1972, and participated in IICA-related projects through CIDA. Canada's contribution in 1986 to the IICA was \$2.35 million of a total \$50 million (Agriculture Canada communiqué, August 24).

On the final day of the conference, the Ottawa Declaration, stressing the importance of reform in agricultural policies to achieve increased international cooperation and reduced agricultural protectionism, was approved. Agriculture Minister John Wise also stressed the importance of international cooperation: "Canada has a strong involvement in the economic prosperity of Latin America and the Caribbean," he said. "Our exports to the region depend on its healthy growth and development" (Agriculture Canada communiqué, September 2).

During the conference, Mr. Wise's department announced that Canada would contribute \$4.5 million, more than half the \$8 million the institute needed over four years to promote its objectives. The Canadian money was to come from the existing budget of CIDA, and would be used to provide Caribbean, South and Latin American countries with information on cattle artificial insemination and embryo transfer technology, as well as other animal health and plant protection techniques. Canada was the first IICA member to contribute to the technology-sharing program, said Mr. Wise's special assistant John Donald (*Ottawa Citizen*, September 9).

United Nations

Environmental Protection

On August 13 the head of the UN Environment Program for North America, Noel Brown, said that Canada was more advanced than any other country in dealing with the April 1987 report of the Brundtland commission on the global environment. Canada was the first country to create a task force to deal with the report's recommendations, Mr. Brown said, and he encouraged Canada to continue that leadership during upcoming UN debates on environmental protection. The debates were expected to begin in October, and Canada was expected to send a delegation led by Environment Minister Tom Siddon (*Globe and Mail*, August 14). Mr. Brown praised the Canadian task force for inviting industry leaders to participate. "For a long time industry was left out. Why should not the voice of industry be heard at the UN? To date the record of industrial cooperation has been most encouraging." Canada's cooperative approach accurately reflected the recommendations contained in the Brundtland commission's report, he said (*Toronto Star*, August 16).

Lewis' Views on the UN

Canada's ambassador to the UN, Stephen Lewis, said in mid-August that the UN had shaken off its "sense of decay" in the previous year, and budget reforms and new initiatives such as the battle against AIDS and the Iran-Iraq

war had produced a turn-around in the organization. "The relevance of the organization, the legitimacy of the organization, cannot, I think, now be credibly challenged." Opinion in the US had changed, Mr. Lewis said, citing recent comments by US ambassador to the UN, Vernon Walters, that the position of the US in the UN had improved. However, Mr. Lewis added, the US continued to withhold money owed to the UN, despite the UN's "wrenching administrative and financial overhaul," and thus kept the organization "very much under the gun" (*Ottawa Citizen*, August 14).

Mr. Lewis was not unequivocal in his praise of the UN, however. On September 17 the ambassador told an Ottawa Conservative group that the UN was "the most sexist organization I have ever worked in. [There is] no sense of feeling or concern" among many countries over the plight of women in some cultures and societies, he said, and gender — not race — was the cause of more problems in attaining agreement among member states. Canada was viewed as the leading member of the UN in the struggle to broaden women's rights, he added: "A lot of countries are a little offended by our determination on women's issues" (*Ottawa Citizen*, September 18).

Conference on Disarmament and Development

From August 24 to September 11 External Affairs Minister Joe Clark led the Canadian delegation to the International Conference on the Relationship between Disarmament and Development at UN headquarters in New York. A major objective of the delegation was to encourage a renewed commitment by all UN members to the disarmament and development processes, in the recognition that those goals could only contribute to the enhancement of peace, security and a better quality of life for everyone (External Affairs communiqué, August 20).

In the first plenary statement of the conference on August 24, Mr. Clark rejected a proposal in the conference's draft report for an "international financial mechanism" to channel military savings into extra aid for needy countries. "This conference can be most useful if it probes beneath the assumption that there can be an automatic transfer of funds from arms to development. We must understand why governments spend on arms — and understand also that there is simply no evidence — no reason to believe — that governments are likely to disarm, at the expense of what they consider their security, in order to divert funds to development. If we are serious, the reality we must recognize is that the level of a nation's security is the main criterion against which efforts for disarmament must be measured, not the level of economic gain . . . I mean security in its broadest sense — not just military strength. The sense of economic and social well-being is an important factor in a nation's overall security" (External Affairs communiqué, August 26).

The Minister also said that a new mechanism to channel military savings into extra aid "would not mean new funds for development. It would mean new bureaucrats for development." Worldwide, Mr. Clark pointed out, about twenty-five times more money was spent on arms than on development, but in Canada — even with plans to boost military spending under the new defence White Paper —

military spending was four times higher than aid to developing countries. "If the rest of the world were operating under the same rules that Canada is operating under, we'd have significantly fewer problems," Mr. Clark said. With regard to the refusal of the US to attend the conference, Mr. Clark commented, "It's been my experience that you never win an argument by leaving the room" (*Ottawa Citizen*, August 25).

Strong Elected to UN Federation

In August it was announced that Canadian Maurice Strong had been elected president of the World Federation of United Nations Associations. Mr. Strong was a former under-secretary at the UN and executive director of its African emergency relief efforts in 1985 and 1986. He was the first Canadian to hold the post. The announcement was made at the Federation's annual assembly in Ottawa (*Ottawa Citizen*, August 22).

In her remarks to the Federation's assembly, Minister for External Relations Monique Landry said, "There is no longer any question of whether or not there will be global governance. The question is how it will come into being . . . Governments and international secretariats are so preoccupied with the . . . crises of the moment that they rarely have the time or patience for future-oriented analysis. Moreover, the idea that the people of this world could deal with each other without reference to their nation states, or the idea of a transformation of the United Nations to operate on any other basis than the principle of one-nation-one-vote, seem beyond the reach of the present generation. But let us be reminded that the decolonization process of the 1950s and 1960s was a quite sudden reversal of a strong and widely held belief that such changes would take many generations" (External Affairs communiqué, August 17).

Canadians Honored

During the UN International Year of Peace in 1986, the cities of Vancouver and Toronto, and the Peace Research Institute of Dundas, Ontario conducted activities that gained them recognition by the UN as "peace messengers." Each was to receive on September 15 from UN Secretary General Javier Perez de Cuellar a certificate recognizing their contributions to peace. Among the other Canadian organizations so honored were Children for Peace, Peace Fund Canada, Saskatoon Mothers for Peace and the UN Association in Canada (*Globe and Mail*, September 11).

More Troops to Cyprus

External Affairs Minister Joe Clark announced on September 18 that Canada would be providing an additional sixty soldiers to the UN Peacekeeping Force in Cyprus. The additional forces were part of a new deployment of soldiers requested by the UN to replace the Swedish forces which would be withdrawn at the end of 1987. The first deployment of additional troops would take place in October. Mr. Clark expressed the hope that the decision to send additional forces to Cyprus would help spur efforts to find a solution to the more than 20-year-old political impasse in that country. He pointed out that the force not only helped maintain the peace in Cyprus, but also performed important humani-

tarian functions (External Affairs communiqué, September 18).

Ozone Layer Treaty Signed

Montreal hosted a diplomatic conference attended by more than forty nations from September 14 to 16, to sign a global treaty on the protection of the ozone layer. The conference represented the culmination of ten years of negotiations in which Canada had been playing a key role (Environment Canada communiqué, August 14).

Technical negotiations took place the week before the conference convened. Difficulties arose on several fronts: the developing countries, led by Argentina and Brazil, argued that chlorofluorocarbons (CFCs) — the leading cause of damage to the ozone layer — were vital to their economic survival; the US demanded a rigid ratification formula to the treaty; and environmentalists such as Julia Langer, an observer on the Canadian negotiating team, claimed that unless the US, Britain, France, Japan and the USSR changed their positions, the final document would be so weak that it would only slow, but never stop, the destruction of the ozone layer (*Globe and Mail*, September 12 and 14).

On September 16 twenty-four nations signed a global agreement — termed by Environment Minister Tom McMillan "a law of the air" — which committed the world to a 50-percent reduction in some ozone-destroying chemicals by 1999. A freeze on production would begin in 1990, followed by an initial cut of 20 percent in chemical use by 1994.

Canada's enabling law, the Environment Protection Act, was in its second reading in Parliament when the conference took place. Other countries would also require enabling legislation passed before the agreement would have any force. Mostafa Tolba, who spearheaded the ozone campaign on behalf of the UN Environment Program, said the agreement would have to be the start of a series of global environment treaties, and nations would have to agree to stop other forms of pollution that threatened to change the world's climate. They must also agree to stop destroying the world's rainforests, he said (*Globe and Mail*, September 17).

NATO

Norway Troop Withdrawal

Norwegian Prime Minister Gro Harlem Brundtland told the West German newspaper *Die Welt* on August 16 that Canada should abandon its plans — announced in the June defence White Paper — to withdraw its forces from Norway, at least until NATO came up with an alternative (See "International Canada" for June and July 1987). Mrs. Brundtland emphasized that Norway was one of only two NATO countries — the other being Turkey — sharing a border with the USSR. Asked whether France should take over Canada's commitment to Norway, Mrs. Brundtland said that it was one of the NATO propositions being considered by Norway. But, she added, "the ball is now in NATO's court" (*Le Devoir*, August 17).

Innu Protest

On September 13 a spokesman for the Innu National Council, Penote Michel, said that a group of Innu from Labrador and one from Quebec were setting up camp in the middle of a NATO bombing range, about 95 kilometers south of Goose Bay, Labrador. Jets from Canada, the US, the Netherlands, West Germany and Britain practised low-level bombing by dropping light-explosive dummy bombs on the site, which Mr. Michel said was in a former hunting and meeting ground. The Innu intended to hunt game there and to stay indefinitely, he said. The area was not fenced, and the 10,000-member tribe had never signed a treaty with the federal government, Mr. Michel said, and thus Canada had no right to the Innu ancestral land. The Innu claimed that the low-level flights threatened caribou and other wildlife (*Ottawa Citizen*, September 14).

On September 18 a spokesman for the Canadian military said that the Innu action had had no effect because NATO was using other bombing ranges further north. The military was taking aerial photographs of the group, but otherwise was leaving them alone, said Lieut. Anthony White. Peter Penashue of the Innu Association of Goose Bay said the group intended to camp on the range until mid-October, when low-level flying exercises were set to end for the season (*Ottawa Citizen*, September 19).

La francophonie

Quebec Summit

The leaders of *la francophonie*, a confederation of French-speaking nations, met in Quebec City from September 2 to 4.

The night before the second francophone summit opened, External Affairs Minister Joe Clark said that human rights abuses in participating countries would not be an official topic of discussion, because the issue of human rights was too divisive to be tackled by a group as recently formed as *la francophonie*.

Nine of the group's members — Benin, Burundi, Cameroon, Congo, Haiti, Lebanon, Niger, Chad and Vietnam — had been criticized by Amnesty International for jailing people without trial; three — Madagascar, Mali and Niger — for inhuman prison conditions; Laos and Vietnam for sending political prisoners to hard labor in "re-education camps;" and thirteen countries at the summit for using torture and inhuman treatment.

However, Mr. Clark said, human rights were a "preoccupation" of the Canadian government, and Prime Minister Brian Mulroney was likely to raise the issue in talks with individual leaders (*Montreal Gazette*, September 1).

On the first day of the summit, Mr. Clark announced that Canada intended to cancel the development assistance debts owed to it by a number of low-income countries in sub-Saharan Africa. For French-speaking countries — Senegal, Zaire, Madagascar, Cameroon, Congo, Ivory Coast, and Gabon — the measure would eliminate \$324.9 million of debt (External Affairs communiqué, September 2).

On the second day of the summit, Canada was the only participant to not support a resolution on the Middle East which called for a recognition of "the national rights of the Palestinian people and notably its elementary and legitimate right to self-determination" as part of an international conference on the Middle East. Mr. Clark said that Canada had consistently supported the idea of an international Middle East peace conference, but had problems with the word "self-determination." "We think the use of that language can prejudice the results of a conference on the future of Palestinians," the Minister said (*Toronto Star*, September 3).

The summit leaders were told by Minister of External Relations Monique Landry on September 3 that Canada would spend an additional \$17 million over the following two years on aid and cooperation projects with summit participants: \$7 million would be added to the budget for communications and culture, \$5 million on improving agricultural training in Africa, \$1 million on energy conservation programs aimed at poor countries looking for alternatives to oil, and the remainder on various cooperative projects in francophone countries (*Ottawa Citizen*, September 4).

In his closing speech to the summit, Prime Minister

Brian Mulroney said, "The francophone summit is now recognized I think as a major forum of political and economic coordination, cooperation and consultation." French President François Mitterrand told a closing news conference, "Now we know that we are in existence," and cited new projects in agriculture, energy, culture, technology and language (*Ottawa Citizen*, September 5).

France, Canada and Quebec committed the largest amounts of the total \$73 million in projects agreed to at the summit. France committed a total of \$42 million for 1988, and Quebec \$4.7 million over the following two years. This compared favorably with the \$92-million budget of the much longer-established Commonwealth (*Le Devoir*, September 5).

At the conclusion of the 3-day summit, French President Mitterrand commented on the issue of human rights violations among members of *la francophonie* by saying that the issue had been raised in private sessions. "*La francophonie* is definitely raising the issue, but you must give it time. We're not here to organize a collective police force," Mr. Mitterrand said (*New York Times*, September 6).

Policy

Central America

Peace plan

On August 4 External Affairs Minister Joe Clark sent to Central American foreign ministers a message of support for their planned August 6 and 7 summit in Guatemala. "None of the multiple problems that beset the area can be adequately addressed while there is continuing conflict. . . . [Costa Rican] President Arias has made clear that his proposal falls within the spirit and framework of the Contadora process, which Canada has long supported as the most appropriate vehicle for a peaceful settlement in the region" (External Affairs communiqué, August 5).

The agreement reached in Guatemala — calling for a meeting of the Central American foreign ministers within fifteen days and for a ceasefire within ninety days of the August 7 meeting — received Mr. Clark's support. The Minister stated Canada's readiness "to provide technical advice based on its long peacekeeping experience to promote the peace process" (External Affairs communiqué, August 10). On August 16 Mr. Clark announced that he was sending officials of his Department to Central America to convey this message directly to the foreign ministers concerned. Canada was particularly willing to assist in the areas of verification and control, Mr. Clark said (External Affairs communiqué, August 16).

In mid-September members of a delegation of politicians and international aid workers, returning from a visit to Nicaragua, said that Canada should voice stronger opposition to any further US aid to the Contras. Lloyd Axworthy (Lib — Winnipeg-Fort Garry) said, "If we're going to give peace a chance in Central America and Nicaragua, the Contra aid

cannot continue." James Manly (NDP — Cowichan-Malahat-The Islands) said that there was no such thing as "humanitarian" aid to the Contras. US President Ronald Reagan had just endorsed a House of Representatives proposal for interim humanitarian and communications aid to the Contras (*Toronto Star*, September 17).

Costa Rican President Oscar Arias said on September 17, "I think Canada has the moral authority and will be heard with a lot of attention here in Central America. . . . It would be very helpful if Canada plays a more decisive role." Mr. Arias also reaffirmed his belief that Central American countries should be given a chance to solve their differences by means of the August 7 Guatemala accord, and he urged the US congress to wait until the November 7 ceasefire deadline before offering further aid to the Contras (*Ottawa Citizen*, September 18).

In the Commons on September 17 James Manly asked Mr. Clark whether, in an upcoming speech to the UN General Assembly, the Minister would "make explicit Canadian opposition to further funding of the Contras" by the US. Mr. Clark replied there were "some things that Canada can do to make a real contribution to the peace process [including] making clear our view that the presence of foreign powers in [Central America] is not helpful. [However] I do not believe that what the Hon. Member proposes we do would be constructive, helpful, or have an effect. Consequently, I want to maintain our capacity to look at and to pursue those avenues which will have an effect."

Oceans

New strategy announced

Fisheries and Oceans Minister Tom Siddon announced on September 29 a long-term action plan for the development of Canada's oceans economy. The *Oceans Strategy* was aimed at securing maximum economic, scientific and sovereignty benefits from Canada's three oceans. Mr. Siddon explained, "The oceans sector thrives on exports, and exports of Canadian products and technologies create new jobs for Canadians. The next five years will be critical to our oceanic, manufacturing and services sector. . . . We must build on Canada's strength in ocean science and technology to reap the economic benefits that the oceans offer" (Fisheries and Oceans communiqué, September 29).

Foreign Policy

Public opinion poll results

The Department of External Affairs made public on August 14 the results of a public opinion survey which it had commissioned in April 1987. Carried out by The Longwoods Research Group Ltd. of Toronto, the survey covered major areas of Canada's external relations, including South Africa and apartheid, aid, Central America, East-West relations and arms control, sovereignty, trade and Canada-US relations.

Among the results summarized by the Department were:

- highest priorities for Canada in external relations should be: international peace; Canada's independence and control over its own affairs; acid rain; arms control; Canada-US relations, in that order.
- Canada's greatest effectiveness in external relations over the previous few years were in the areas of: Canada-US relations; Third World poverty and hunger; Canada's independence and control over its own affairs; international peace; and international cooperation in the UN and other multilateral organizations.
- 60 percent were not concerned about the situation in Nicaragua, while 86 percent believed Canada should have some arm's-length involvement in Central America, for instance, by actively supporting the Central American efforts to find a peaceful solution themselves.
- 66 percent said Canada should pursue independent policies even if this led to problems in its US relations and 74 percent did not think Canada pushed its own point of view strongly enough in its dealings with the US.
- just over 50 percent believed the existence of nuclear weapons made war more likely, and 59 percent said current practices and new developments in nuclear weaponry made war more likely.
- the US was perceived by 58 percent to threaten Canada's "legal right" to the Canadian Arctic, while 37 percent selected the USSR
- while 57 percent felt informed about the free trade discussions and 43 percent did not, 60 percent supported a free trade agreement and 32 percent were opposed.

The survey encompassed a national random sample of 1,011 residents 18 years of age and older (External Affairs communiqué, August 14).

Science and Technology

Suzuki critical

Biologist and broadcaster David Suzuki said in an August interview that Canadian scientists would likely never compete with international researchers because they lacked financial support from the government. "We're still basically hewers of wood and drawers of water. . . . Canadians are fooling themselves in thinking that we are a highly industrialized country — we're not. . . . We have had outstanding people in many, many areas but we have never had a climate that would encourage these people to . . . do their work here. . . . Children today growing up in Canada do not have role models of people who are world class in science and technology" (*Ottawa Citizen*, August 20).

Environment

Rain forests

A group of thirty-four Canadian groups and individuals — including Pollution Probe, the Canadian Wildlife Federation, the Assembly of First Nations, Greenpeace and biologist David Suzuki — told Finance Minister Michael Wilson in a September 8 submission that Canada's \$300 million annual contribution to World Bank development programs helped contribute to the "relentless destruction of the world's rain forests [causing] the greatest biological disaster ever perpetrated by man, creating a spasm of extinction unequalled since the disappearance of the dinosaurs." The group urged Mr. Wilson, as Canadian governor for the World Bank, to persuade the federal Cabinet to take steps to stop the rain forests' destruction, and to propose certain measures at the World Bank annual meeting, including:

- making public the Bank's Canadian executive director's voting record on loan applications;
- introducing rules to ensure public disclosure of project and program documents;
- establishing a process for public notification of projects being considered for World Bank funding;
- ensuring access for any interested parties to the project-review and decision-making processes.

The group's submission also said that fundamental changes in World Bank procedures were needed to ensure that future loans were made only to environmentally sustainable projects that respected the cultural integrity of native people (*Ottawa Citizen*, September 9).

Immigration

Illegal aliens and refugee policy

Employment and Immigration Minister Benoît Bouchard announced on July 30 that the federal Cabinet had

agreed on a course of action to deal with organized groups of illegal aliens arriving in Canada in a clandestine manner. The Minister said, "We have to control these incidents of abuse. . . . In February this year I introduced control measures to stem the flow of illegal aliens (See "International Canada" for February and March 1987). . . . On May 5 this year, I tabled Bill C-55 to create a faster refugee determination system (See "International Canada" for April and May 1987). . . . I recognize that our existing refugee system is being abused. . . . Therefore, I have proposed, and my Cabinet colleagues have agreed, to seek the recall of the House of Commons to provide the government with expanded powers" including:

- substantially increased penalties for smugglers and their accomplices — the heaviest possible fines and prison terms of up to ten years;
- the detention of people arriving with no documents until their identities were established;
- prevention of people who might be security threats from accessing the refugee determination process, and their detention until they could be removed from Canada;
- the removal from Canada of any person unable to prove a credible basis for a refugee claim (an appeal could be heard by the Federal Court, but the person would not be allowed to stay in Canada while the appeal was being heard);
- a person who had an arguable basis for a refugee claim but was not found to be a refugee would be removed from Canada if their appeal to the Federal Court failed;
- people who could be admitted to a safe third country would be returned to that country, but proper international consultation would take place, and no one would be returned to a third country without a fair hearing.

Mr. Benoît said that, while Canada respected her international obligations under both the UN convention on refugees and the Canadian Charter of Rights and Freedoms, the government would not allow unscrupulous people to continue to trade in human lives, in flagrant violation of Canadian laws (Employment and Immigration communiqué, July 30).

"One hundred and seventy-four people landing on the coast of Nova Scotia does not a national crisis make," said George Cram, a spokesman for the Anglican Church of Canada, referring to the July 10 arrival in Canada of a group of migrants without documents (See "International Canada" for June and July 1987). "We seem to be seeing a panic reaction by government and irrational action by calling Parliament back in the middle of its recess to deal with what is not an emergency," added Mr. Cram, a member of the Coalition for a Just Refugee and Immigration Policy (*Toronto Star*, August 1).

On August 4 an aide to junior Immigration Minister Gerry Weiner said that more than 30,000 people would claim refugee status in Canada in 1987, an increase of 67 percent over 1986. Len Westerberg also said that 90 percent of applications under the 15-month-old refugee backlog program had been rejected because the claimants were not real refugees (*Globe and Mail*, August 5).

The following day in New York Carmencita Hernandez, representing the Coalition for a Just Refugee and Immigration Policy, presented to the UN High Commission

for Refugees a letter which complained about Canada's treatment of the Asian migrants who landed in Nova Scotia in July, and requested an investigation of their treatment and of Canada's proposed new legislation to tighten refugee policy. Ms Hernandez presented the same complaints to the UN High Commissioner for Refugees in Geneva, and to Stephen Lewis, Canadian ambassador to the UN (*Ottawa Citizen*, August 6).

When the Commons was recalled on August 11, Employment and Immigration Minister Benoît Bouchard tabled Bill C-84, the Deterrents and Detention Bill, which would impart to the government specific powers, as outlined by the Minister on July 30, to stop abuse of the refugee determination system (Employment and Immigration communiqué, August 11).

In response, NDP immigration critic Dan Heap (Spadina) said he agreed with stiff fines for smugglers, but did not like the definition of smugglers which left the churches open to prosecution. Mr. Heap also expressed concern over a provision for secret accusations against so-called security threats, and the turning back of ships at sea. Liberal immigration critic Sergio Marchi (York West) said that it appeared that Mr. Bouchard was trying to close the doors against all refugees, not just false claimants (*Globe and Mail*, August 12).

On August 12 UN High Commissioner for Refugees Jean-Pierre Hocke wrote to the Canadian government, telling it that Bill C-84 "could risk exposing bona fide asylum seekers and refugees to forcible return to territories where their lives or freedom would be threatened" (*Ottawa Citizen*, August 15). Mr. Bouchard told the Commons on August 14, "We have read the letter from the UN High Commissioner for Refugees and we are keeping in touch with him. We intend to provide an appropriate response. However, the Bill is entirely in line with the commitment we made as a result of signing the United Nations Convention on Refugees."

The *Ottawa Citizen* reported on August 19 that Stephen Lewis had told an Ottawa UN Associations Conference, "Western Europe, and much of the western world, has implemented legislation every bit as tough or tougher [than Bill C-84] without the same history of generosity and openness that Canada has demonstrated. . . . It should be perfectly possible to make the legislation compatible with the various international covenants we have signed." On the same day Dan Heap (NDP — Spadina) asked in the Commons whether the government would "do the right thing and take the necessary steps to bring Bill C-84 into line with our UN obligations to refugees who come to our shores unable to bring documents with them." Junior Immigration Minister Gerry Weiner replied, "The abuse of immigration laws cannot continue. . . . The profiteering and trafficking in human flesh cannot continue."

On September 10 debate on Bill C-84 ended, and the legislation was passed by the Commons on September 14. The Senate committee on legal and constitutional affairs began examination of the bill on September 22, when Mr. Bouchard told members of the committee he would meet with the UN High Commission for Refugees in Geneva on September 24 to discuss the bill. The bill remained before the Senate (*Ottawa Citizen*, September 23).

Finally, Amnesty International in its annual report said, "The international protection of refugees is becoming increasingly difficult as governments become more restrictive in granting asylum. Men, women and children whose lives are in jeopardy are finding more and more doors to safe havens slammed in their faces." The report contained

more critical entries than ever before, including those of Western Europe and North America, where Amnesty found "there is a growing tendency to treat increasing numbers of asylum applications as 'manifestly unfounded,' [creating] a real risk [of] unfair and arbitrary decisions" on refugee status (*Ottawa Citizen*, September 30).

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(supplied by External Affairs Canada)

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Squaring off for Mideast peace

by James A. Graff

Appearances are deceiving. It appears to be because of Israeli Prime Minister Yitzhak Shamir's intransigence that the world may have lost yet another opportunity to end the 40-year-old Arab-Israeli conflicts. During the past year, Western countries which had dutifully supported the US-Israeli Camp David model for a negotiated Arab-Israeli settlement, appeared to join the world consensus calling for an international peace conference under United Nations auspices. Even Peres and Washington said that they supported the idea. Soviet-Israeli relations too, had steadily thawed. Everyone except Shamir, it seemed, wanted the conference.

The reality is very different. By a margin of almost 3:1, Israeli public opinion supports Shamir's refusal to surrender an inch of occupied territory. The US may give Peres verbal support but it is not prepared to drag Israel to the peace table. No one else, including Jordan's King Hussein, can accept the borders Shamir wants. Finally, there were three separate versions of a UN-sponsored international peace conference, each with its own guiding principles and format which jointly determine the outcome of each proposed conference. There could be no agreement on a conference because there was no agreement about an acceptable outcome. The only conference the US would support would be one which would guarantee the outcome it and Peres, for different reasons, could accept. That outcome is the "Jordanian Option" according to which Jordan and Israel would divide the West Bank and Gaza Strip. It is an outcome which almost 93 percent of the Palestinians there firmly oppose, as does the PLO which enjoys the support of slightly more than 93 percent of the Palestinians whose future is at stake. The accommodation of their aspirations and their right to political and social institutions of their own choosing on the West Bank and in Gaza are clearly embodied in the principles and format of the conferences called for by the UN General Assembly and the West Europeans.

US and Peres version

For Peres and the US no such outcome is acceptable. Rather they insist upon Security Council Resolutions 242 and 338 as the major guiding principles for their conference. Those resolutions refer to the Palestinians as refugees and therefore not as a people with a right to self-determination. The main resolution, 242 (November 22, 1967), "emphasizes" the principle of the inadmissibility of the acquisition of territory by force, calls for "withdrawal of Israeli armed forces from territories occupied in the recent war," and "emphasizes" the need for secure and recognized borders for the then existing states in the region. Some interpret the resolution to require Israel's withdrawal from some, but not all, of the territory it captured. Security Council Resolution 338

(October 21 and 22, 1973) calls for a ceasefire (in the Egyptian-Israeli war), urging all the parties to the conflict to implement Resolution 242.

The implications of these resolutions are clearly that the negotiating parties are Israel, Egypt, Syria and Jordan. The PLO, which was not formed until after the 1967 war, would effectively be excluded from negotiations and there would be no acknowledgment of any right to self-determination for the Palestinian people. Whatever their fate, it would be sealed by agreements primarily between Jordan and Israel. The conference would provide a framework for direct state-to-state talks. The US, Soviet Union and other Permanent Members of the Security Council would play largely ceremonial roles, opening the negotiations and sanctioning their outcomes. Israel would be recognized by the Arab states.

General Assembly version

The conference the UN General Assembly now envisions would establish an independent Palestinian entity on the West Bank and in Gaza. It would be established on principles Israel and the US at present reject. In 1983 the General Assembly voted overwhelmingly for an international peace conference on the Middle East in which the Permanent Members of the Security Council, including the USA and USSR, the Palestine Liberation Organization and the contending states would be invited to participate on equal footing and with equal status. The vote was 123 in favor, 17 abstaining and 4 opposed. Australia, Canada, Israel and the US cast the four negative votes. The NATO countries, New Zealand and a scattering of US client states, abstained.

That 1983 resolution (38/58C) calls upon the Secretary General to convene an international peace conference which would proceed in conformity with a number of guidelines, including the right of the Palestinian people to self-determination and to return, the status of the Palestine Liberation Organization as the legitimate representative of the Palestinian people, withdrawal of Israel from territories occupied since '67, acceptance of the principle of the inadmissibility of the acquisition of territory by force, and the invalidity under international law of Israel's annexation of East Jerusalem. It envisions a conference in which the permanent members of the Security Council, especially the USA and the USSR, would play active roles in negotiations aimed at a comprehensive regional settlement.

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International peace conference needed

Independent Palestine under UN plan

The outcome of this conference clearly would be an independent Palestinian state on the West Bank and in Gaza, an Israel confined mainly to its pre-1967 borders, superpower security guarantees and some arrangement for a general military step-down adequate to eliminate any serious risk of "preemptive" or other wars. What is aimed at is a really durable peace which would accommodate both the aspirations of the Palestinians for control over their own destiny and Israel's security needs within the context of military de-escalation. De-escalation would require agreements among the great powers over the supply of arms and material for the local manufacture of weapons. The Resolution would probably require cajoling or browbeating the relevant states, including Israel, into accepting those arrangements which would undermine the power and status of their military elites and the commercial or industrial elites tied to them. It also calls for negotiations over the status of East Jerusalem, which Israel has proclaimed "eternally" its own.

European Community's version

On February 23, 1987, the twelve members of the European Economic Community issued a declaration stating that they favored an international conference under United Nations auspices

with the participation of the parties concerned and of any party able to make a direct and positive contribution to the restoration and maintenance of peace [in the Middle East] and to the region's economic and social development. The Twelve believed this conference should provide a suitable framework for the necessary negotiations between the parties directly concerned.

The principles on which the conference should be based are contained, the Declaration says, in the Venice Declaration of June 13, 1980. That Declaration listed two principles, first

the right to existence and to security of all the states in the region, including Israel, and justice for all the peoples, which implies recognition of the legitimate rights of the Palestinian people.

And second,

A just solution must finally be found for the Palestinian problem, which is not simply one of refugees. The Palestinian people, which is conscious of existing as such, must be placed in a position, by an appropriate process defined within the framework of the comprehensive peace settlement, to exercise fully its right to self-determination.

The EEC proposal expressly states that the "Palestine Liberation Organization will have to be associated with the negotiations." It affirms the position that the settlements and modifications of population and of property in the occupied Arab territories are illegal under international law.

Nordic variation

In March 1987 the Nordic countries declared themselves in favor of a conference based on Security Council Resolutions 242 and 338, and on the right of the Palestinians to self-determination. The EEC/Nordic conferences, while not as fully accommodating the Palestinian rights, would result in the emergence of some independent Palestinian political entity in most of the Occupied Territories.

From the point of view of acceptable outcomes, all but the US and Israel could accept either the conference called for by 38/58C or the conference the EEC/Nordic countries have in mind. The crucial issues are: (1) Palestinian self-determination, (2) the form of PLO representation and participation in negotiations, and (3) the roles of the US and the Soviet Union in the negotiating process. The governments of the US and Israel are the stumbling blocks to a genuine peace because, for different reasons, neither would now accept any kind of really independent Palestinian entity in the Occupied Territories, and neither wants to see a genuinely demilitarized Israel. As it has been since '67 and before, momentum towards peace is at an impasse mainly because of what is going on in Israel and in Washington.

Roots of the impasse

An increasingly polarized Israeli society is divided into three ideological camps, each with its own image of what Israel is to be.

The first camp would have a Jewish-dominated Israel, a more or less openly apartheid state whose borders included *at least* the presently occupied territories. In one form or another, this option, according to Murad A'si, enjoys the support of over 60 percent of Israel's Jewish electorate, of whom roughly 18 percent want to continue the *status quo*, 19 percent want outright annexation without expulsions, and 20.4 percent want to annex the territories and expel their Palestinian inhabitants. The expulsionist version of this vision is openly espoused by Rabbi Kahane, who has said that he would allow those Palestinians to stay who are prepared to serve as "slaves" to Jews. More "moderate" versions are espoused by Shamir, and Generals Sharon and Eitan.

A second tendency thinks Israel should be a state with separate and unequal development for Jewish and Arab sectors, insuring Jewish domination and a Jewish majority fully enjoying democratic freedoms, which would continue to be extended formally but not effectively to the Arab sector. This is basically the moderate and conservative Labor position represented by Peres. Support for this position, which is coupled with the "Jordanian Option" for the Occupied Territories, has ranged as high as 37 percent and appears to have fallen to about 31 percent within the Jewish electorate.

The third group believes Israel should be a fully democratic state, promoting equal development of its Jewish and Arab sectors, coincident with integrating the Arab sector fully into Israel's political and economic institutions. Israel's borders should reflect some minor adjustments of the '67 Green Line and Israel should scale down its military establishment in a process leading to full integration as one state among others in the Middle East. This is the vision of Israel as basically the state of its citizens and not the state of the Jewish nation whose in-gathering requires *lebensraum*. It is the vision

represented by former General Matti Peled and the Progressive List for Peace, by left-Labor, most of Mapam, and a scattering of others on the Left. It has never enjoyed more than 9 percent support within the Jewish electorate.

Center losing favor

Supporters of the "center" position have cause for growing concern that they may be marginalized by electoral victories by the basically anti-democratic, expansionist majority. Some in the center are beginning to have serious concerns that they, like a handful of Jews promoting the third image, may suffer prosecution and persecution. That explains Peres's efforts to get some settlement, but it also explains his rejection of an independent Palestinian entity. Such an entity is overwhelmingly rejected by the Jewish electorate. It would be an ideological "dagger pointed at the heart of Israel."

US interests

For its part, present US strategy appears to require an Israel threatened by and threatening its neighbors. Such an Israel sustains the type of insecurity and instability which permits the US to win and hold the "friendship" of powerful Arab military elites in poor and rich countries alike. In the poor countries, a combination of military sales and aid insures dependence on the US for security and for the regime's survival against its domestic revolution. The nature and scope of economic aid which is not aimed at significant economic development, coupled with the burdens of maintaining large military establishments, also help to sustain economic dependence on the US.

This strategy requires external threats where there are no serious domestic threats. It is a strategy which favors military and commercial elites in the Arab countries and military-industrial elites in Israel. A similar strategy where economic aid is replaced by sales of US technology and expertise applies to the relatively few oil-rich Arab states. Economic dependence is bolstered by sales of technology and services, and by encouraging enormous capital investment in the US. Those investments tie their owners closer to the US economy and therefore to US interests. Israel's dependence is underscored by the fact that its economy would collapse without the yearly US subsidies, now reaching the equivalent of US \$1400 for every man, woman and child there. Unlike

dependent Arab states, however, Israel has a powerful lobby in the US which it relies on to insulate it from American pressures when Israeli and American interests or objectives conflict.

The US government's strategy of control is aimed at securing well-known American economic and strategic objectives in the region: access to oil and to Arab markets, and containing Soviet influence. It is also aimed at containing Western European influence and subordinating European policies there to American interests.

Peace in the Middle East requires a major rethinking in Washington and in Israel of the character of their respective states, the one as world and the other as regional superpower. It requires a reevaluation of the means by which influence can be exercised and sustained without dominion and dependence. It would require each, no doubt, to settle for less, economically and politically, than it presently enjoys.

And where is Canada?

Canada deserves at least a footnote in this discussion, partly because that is precisely where our government has placed us. Only in early June did Joe Clark align Canada with the call for an international peace conference under United Nations auspices, stating that Canada "strongly supports" the efforts of Hussein and other Middle East leaders (i.e., Peres, Mubarak and King Hassan of Morocco) to convene such a conference. His language was vague enough to permit Canada to support the EEC's versions of outcome and conference, or to support the Peres/US line. In the circumstances, the intent was probably to support the latter, although it is not really clear that Hussein and Mubarak are seeking that conference with its unique outcome. Nevertheless, the statement advanced Canada's official position in the direction of peace, as did Canada's switch last November from a negative vote to an abstention on General Assembly Resolution 41/43D, the latest annual successor to 38/58C. The Liberals, however, officially hold to the Camp David model and have not yet managed to inch as far forward as Peres or the US. The NDP endorses an international peace conference under UN auspices, probably the one Peres has in mind. Canada really could do much more to promote the causes of genuine peace and of human decency in the Middle East. But will it? □

Pulling uphill in the land of "perestroika"

by Lansing Lamont

Forget for a moment Secretary Gorbachev's obsession with the sclerotic Soviet system and bureaucracy. As he strains to gain momentum for his vaunted social and economic reform (perestroika), it is the Russian people who present his biggest psychological challenge. Anyone who thinks that the conversion of Moscow's central planners and sluggish local managers into enlightened catalysts of industrial boom is the answer to Gorbachev's dream has not observed ordinary Russians. They recognize that a tall dose of perestroika is probably what they need and long overdue. But nobody takes to castor oil willingly.

On a recent 3-week trip through the Soviet Union, under the auspices of the Canadian Institute of International Affairs, one was struck not only by the inertia of so many individual Russians, but by the stubborn skepticism and, in the more distant republics, the almost ritual aversion to any new policy or decree bearing the stamp of Moscow. A World War Two veteran of Yerevan, the capital of Soviet Armenia, cheerfully gives a thumbs-up sign when asked what he thinks of Ronald Reagan, but rolls his eyes and hands in that classical "maybe 'yes,' maybe 'no'" gesture when queried about Gorbachev. An engineer in Tbilisi snorts derisively at the mention of Gorbachev and perestroika.

Moscow resented

The farther one ventures beyond the Moscow-Leningrad orbit, the more one senses the abiding distrust of the Kremlin bureaucrats. In parts of the Soviet Union — home to more than 100 ethnic and racial groups with their distinctive cultural, religious and linguistic traditions — this feeling translates into unabashed nationalism. The regions which our CIA group visited were those likely to be affected most profoundly by internal change under perestroika, for they are among the oldest and most closely bound to those traditions and life style.

In the southern republics of the Caucasus, for example, as well as in the largely Muslim republics of the eastern border region near China and Afghanistan, attempts by Moscow to "Russify" local customs and language are deeply resented. Where expressions of nationalistic ardor have turned violent, as with the riots in Alma Ata, the capital of Kazakhstan, last December, they pose a serious challenge to the Kremlin's control and perestroika's success. Barely a year ago, on a visit to Soviet Central Asia, Gorbachev gave a

speech in Tashkent in which he called for "a firm and uncompromising struggle against religious phenomena." In particular, he urged strict disciplining of Party officials who "help promote backward views and who themselves take part in religious ceremonies." The tone of the speech indicated how fearful Soviet leaders are that the religious zealotry sweeping the Islamic world may storm across Russia's eastern borders to contaminate the growing Muslim populations of Soviet Central Asia. The fact that these nationalist peoples, with a much higher birthrate than the ethnic Russians, may soon reduce the Russians to minority status in their own country does not make Gorbachev's campaign to unify reform throughout the Soviet Union any easier.

Some real progress

Yet the beginnings for perestroika have been auspicious up to a point. The anti-drinking campaign seems to be having a salutary effect already. In the seven major cities we visited, we saw few if any instances of public drunkenness, a major change from a short while ago. Pravda recently reported that the number of work hours lost due to drinking had dropped by two-thirds, with a one-third cut in auto accidents caused by booze.

The anti-corruption drive in Soviet industry and commerce is also making some apparent inroads. Nothing more concentrates the thoughts of a potential high level bribe-taker than the specter of a crippling fine, demotion in the Party ranks, even capital punishment. Shortly after we left Uzbekistan, Tass reported that the First Secretary of the Communist Party in the republic's Bukhara region had been sentenced to death by firing squad for taking bribes while in office. On notice, too, are the black-marketeers who once infested tourist hotels, raking in fortunes trading in Western goods and currency. "These prostitutes are no longer visible," confirmed a young Leningrad student. "There's real fear now. If you're caught, the penalty is very severe."

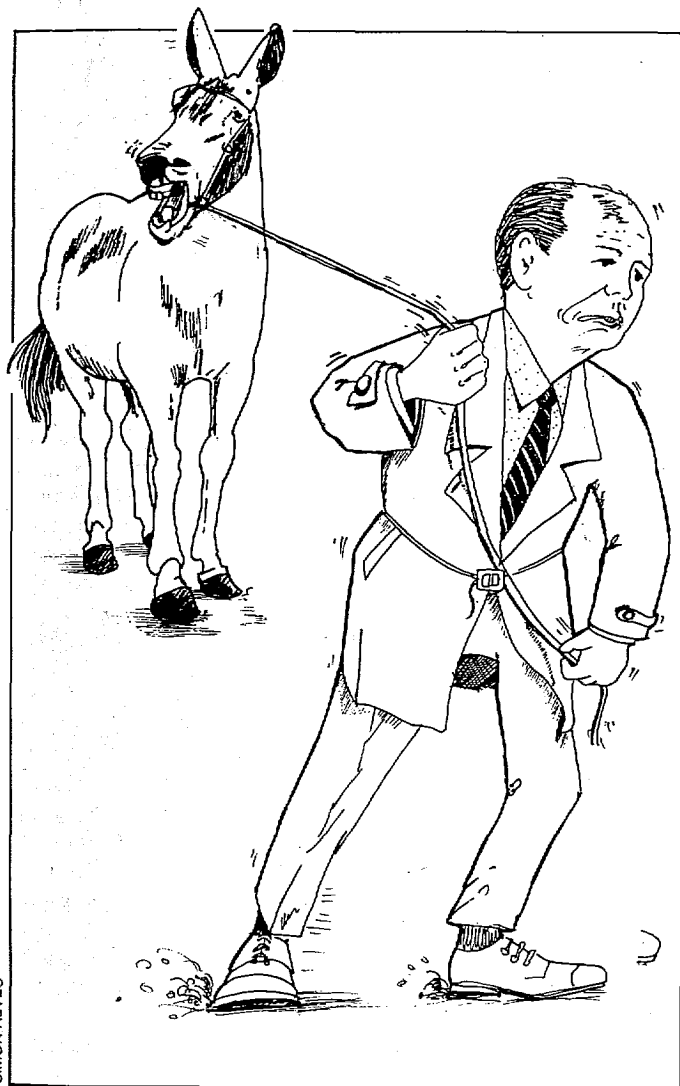
One detects a similar tone in the colloquy we had with a panel of teachers in Alma Ata. Those responsible in the recent past for laxness and lack of discipline in the schools have been punished, we were told. At the same time, more attention is being paid to hitherto neglected vocational training; the methodology of this training, while still administered according to a centralized design, now has some flexibility built in. In one particularly refreshing burst of glasnost, an older academician observed that "The problem of education in this country, under our selective system of choosing the best students to proceed to university, is that we have in fact *not* been selecting the best ones."

So the spirit of perestroika is undeniably sweeping across the USSR, in some cases with bracing effects. The lowliest

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teacher or party bureaucrat from Tblisi to Tashkent is aware of it. Veteran Russia watchers cannot recall a time since the 1930s when there have been so many public posters exhorting Russians to shape up, work harder and produce more.

Inertia the enemy

But history and human nature are not on Gorbachev's side. If Intourist is any clue, the concepts of service and professionalism remain alien to most Russians. This vast government agency, which attends most foreign visitors and is thus one of Russia's prime sources of coveted "hard" currency, continues to breed indifferent, surly personnel (guides excepted) and to erect huge new hotels endowed with tattered upholstery, malfunctioning air conditioners, nineteenth century plumbing and room lights that encourage blindness.

The shoddiness of Soviet workmanship would be a national embarrassment if the average worker even cared a kopek's worth: alarm clocks and television sets that do not work; ill-maintained autos that break down on the road. Meanwhile, the Russians we met seemed more concerned about the malaise of their young, the endless store lines, the spread of AIDs, and hustling Western dollars and chewing gum.

Reform means unemployment

It is not just the disease of complacency and parochialism that infects most Russians. An inherently distrustful people, the unknowns of perestroika have exacerbated their national suspiciousness about change to the detriment of Gorbachev and his plans. Soviet officialdom has been warning for months that temporary losses in some areas of restructuring are inevitable, that there is bound to be a certain amount of psychological stress because, in the words of one local economist, "All of us have become too accustomed to economic impunity." Two identical sets of numbers leap out in the Soviet imagination — the twenty million Russians who died in World War Two and the twenty million Russian workers who may be displaced under perestroika's industrial restructuring. The first set of numbers has for more than forty years argued the case for a vast and financially crushing Soviet military complex, one that has bled some of the best productive energies and industrial talents from the larger consumer economy. The second set of numbers, unfortunately for Secretary Gorbachev, argues the case for ordinary Russians stonewalling his reform drive.

Gorbachev must press on

And this may be as unfortunate for the West as it is for Gorbachev. For the Western democracies, like the Russian people, are also asking whether Gorbachev can be trusted, although in a different arms control and strategic context. They are aware of the Soviet Union's desperate need to refurbish its external image, as well as its internal system, if it is ever to recapture communism's evangelistic appeal of seventy years ago. Perestroika, if successful, would go far in accomplishing that. The West may not relish the prospect of an economically rejuvenated USSR, but the alternative — foiled reform; a discredited Gorbachev; a lapse back into the dark, rocket-rattling psyche of the old Kremlin guard — would pose a worse dilemma.

Yet the Soviet leadership, slow to acknowledge error, may already be inviting that dilemma by proceeding on a false assumption that could abort perestroika: the idea that its centralized economic system is not fundamentally itself at fault, but rather that it simply has not been applied effectively by its managers. At the same time, even as Mr. Gorbachev bravely trumpets and threatens reform, history suggests his greater burden remains the reluctant Russian masses. Or, as a contemporary wrote of that other great Russian reformer, Peter the Great, "The Czar pulls uphill alone with the strength of ten, but millions pull downhill." □

China's decade of economic reforms

by Gordon F. Boreham

In August 1981 the author travelled to the People's Republic of China in the company of seventeen Canadian academics with different backgrounds. This group visited factories, plantations, communes, schools, hospitals and private homes in Guangzhou (Canton), Hangzhou, Xian, Loyang, Beijing (Peking) and Shanghai. In May 1987 he revisited China under the aegis of the People to People International program, established in 1956 by US President Dwight D. Eisenhower. Professor Boreham was the only Canadian in a 41-member party of economists, mostly from the United States, chosen to look at economic reforms in China. Besides visiting many industrial sites, this group met with academics, government officials and representatives from organizations concerned with investment in China and China foreign trade in the cities of Beijing, Dalian, Chongqing (Chungking), and the Shenzhen Special Economic Zone, which is located just thirty kilometers north of Hong Kong's New Territories. This article reflects both of these visits to a country which is changing like no other.

One of the most significant developments on the world scene during the last quarter of the twentieth century has been the restructuring of the economy of the People's Republic of China from a centrally planned to a more market-oriented system. And judging from the visible improvements in everyone's standard of living, the outlook for further economic experimentation in China is optimistic.

Reform of the Chinese economy began in October 1978 when the Third Plenary Session of the Eleventh Central Committee of the Chinese Communist Party approved a plan proposed by the new "Paramount Leader," Den Xiaoping, to modernize China. The main elements of the short- and medium-term strategy for achieving this objective are internal management reforms and the development of economic relations and trade with foreign countries.

Over the following nine years, the executive branch of the Chinese government sought to pursue the "Four Modernizations" of industry, agriculture, defence, and science and technology originally suggested by the late Premier Chou En-lai in 1964. In a series of stages, the State Council introduced a number of measures for improving the initiative of large-scale enterprises. To begin to correct the inefficiencies

and waste of the Soviet-style management system, in vogue in China since 1950, the government gave state-owned enterprises more control over their own profits and losses. It also made clear that managers and workers must accept more responsibility for their performance.

"Contract-responsibility system"

Under the "contract-responsibility system," industrial enterprises are allowed to retain about 10 percent of their profits; they have some say in the selection of products and some discretion in the production of new products and in the production and marketing of commodities after fulfillment of their assigned production quotas; they have some freedom in the acquisition of land, labor and capital inputs and in personnel policy. Enterprises are also encouraged to compete with each other on the basis of "cooperation and mutual support." These policy shifts have allowed most Chinese enterprises to operate more like profit-maximizing firms in a modern market economy and to discard the "iron rice bowl" system (the former practice of guaranteed lifetime employment no matter how ill-suited the worker).

The liberalization of China's methods of industrial management have had other results. For example, a state-run factory in Shenyang, a key industrial city in the northeast, was declared bankrupt in 1986 (this was the first bankruptcy in China since 1949) and another was leased to individuals to manage. Three collectively owned but badly run small stores were sold at auction by the city government to private persons. Today some 130 businesses in Shenyang have become capital stock companies. (Private share ownership, however, is limited to 10 percent of the stock issued.) And the city has established a rudimentary market for both stocks and bonds.

Freedom to farm

In an effort to offset the misuse of farmland and low productivity, the government abolished the "peoples communes," set up in the late 1950s, and lifted the state monopoly on the purchasing and marketing of farm produce. Today all farm products not purchased under state contracts at the state purchase price are disposed of by farm households in free markets at prices determined by the demand and supply conditions. Under this version of the "responsibility system" each farm household has control over the land assigned to it (all land in China is either "state owned" or "collectively owned"; no private enterprise or individual owns any land), and can choose what to produce and how to market its products. According to official Chinese figures, total agricultural output value has increased at an average annual rate of 9 percent since 1978. Farmers' average per capita incomes, with price increases factored in, have risen at a rate of

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14.8 percent a year, reaching a level of 424 yuan (a yuan is about thirty-six Canadian cents) in 1986. These figures suggest that China's rural economic reforms have promoted the production and distribution of agricultural commodities. In addition, rural production has become increasingly rational as a result of the improvements made within the mix of agricultural products. Moreover, in many villages the peasants now live in new 2- or 3-storey houses and own bicycles, refrigerators, washing machines, electric fans, television sets, cameras and video cassette recorders. As things stand, therefore, it is certainly arguable that Deng's reforms have the support of China's 800 million rural residents.

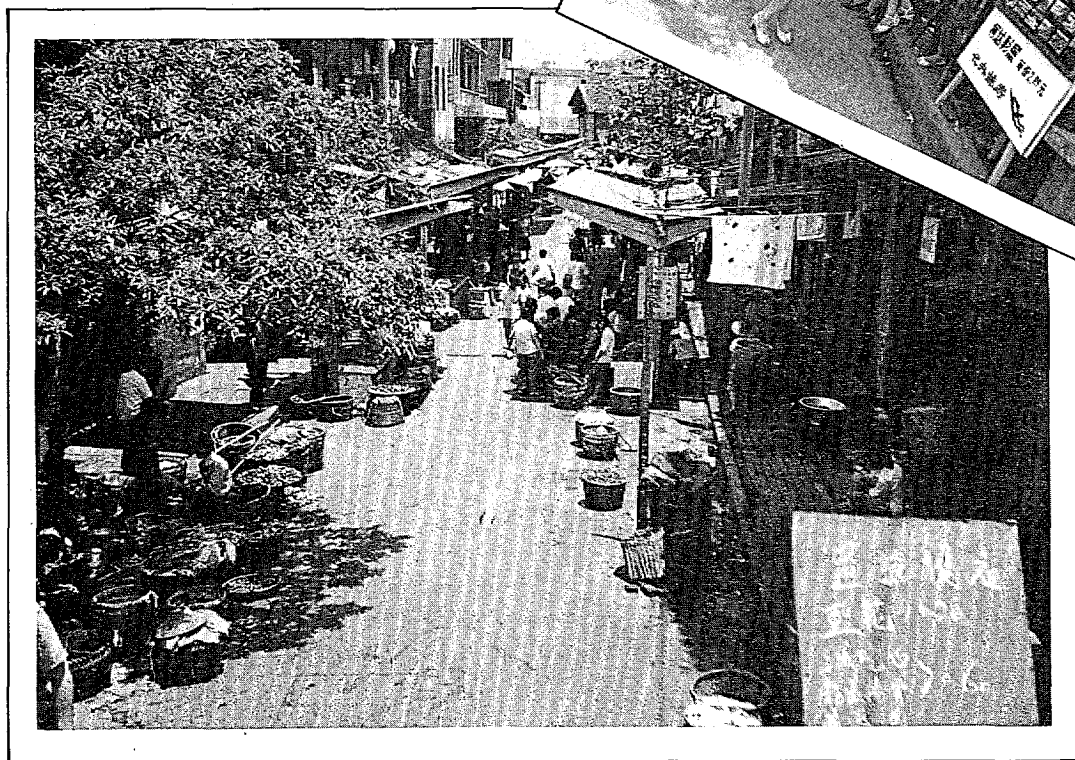
"Special Economic Zones"

Concerning the second main element of economic reform — the exposure of the Chinese economy to Western technology, capital and management skills and the development of overseas business — the strategy rested on two broad aspects: the establishment of Special Economic Zones (SEZs) and the reopening of the coastal cities and other ports to foreign trade. In 1980, China began building SEZs in Shenzhen, Zhuhai and Shantou in Guangdong Province and in Xiamen in Fujian Province. Since then, twelve other similar industrial zones have been established in China.

SEZs are reserved for Chinese-foreign joint ventures, contractual joint ventures and wholly-owned foreign enterprises. The proximate purpose of the SEZs is to attract foreign investment, technology and management know-how. But their main function in the long term is more ambitious: to serve as "four windows" (a window of technology, a window of management, a window of knowledge and a window of foreign policy), and to act like "two coverings of a fan" (one

part radiates to inner China and the other opening to the world outside the "Middle Kingdom"). In other words, SEZs are pivots that link markets at home and abroad.

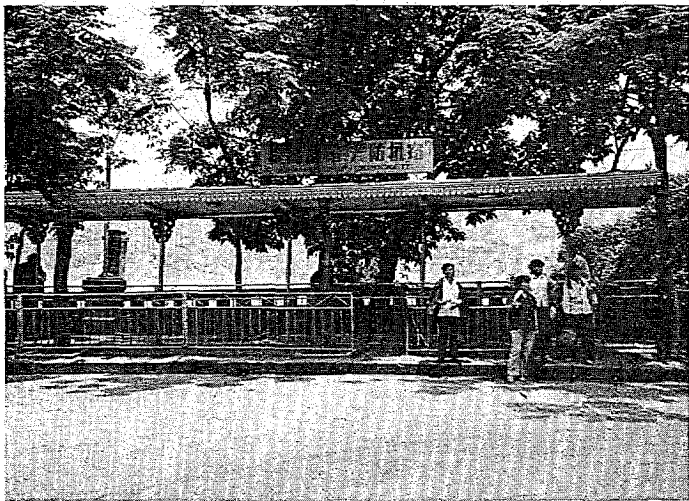
The development of SEZs is the outcome of special economic laws and regulations, which are inconsistent with the economic system prevailing in the rest of China. These rules cover such areas as the entry and exit of personnel, registration of enterprises, labor-management relations and wages, land use, property management, trade unions, foreign banks, technology transfer, bankruptcy of companies, and the resolution of disputes through mediation or arbitration. In order to encourage foreign investment, the SEZs provide enterprises with special tax breaks, including tax holidays, exemption from customs duties, reduced land rents, lower labor costs, credit from both domestic and foreign banks, a foreign exchange center where joint ventures can go to balance their foreign exchange requirements among themselves, preferential access to water, electricity, transportation, and communications equipment.



Chinese free market 1987

Business self-government

Among the most important of the laws and decrees adopted in the SEZs is the right of all foreign investment enterprises to manage their own affairs. Within the scope of their approved contract, firms are free to formulate their own production and operating plans, raise and use their own funds, procure materials, sell products, and determine their own wage standards and incentives. They are also free to employ personnel from Hong Kong and Macao or foreign personnel as managing staff. All hirings are contractual and all employees are subject to probation, warnings, demerits, cuts in wages, or dismissals according to rules and regulations of the SEZ enterprise. In essence, the old Chinese practice of "eating out of the same big pot" (i.e., rigid egalitarianism in distributing pay or bonuses, regardless of merit) has been abandoned in the SEZs. Similarly, the "iron rice bowl" (the system whereby workers or those in authority were virtually never dismissed or demoted, regardless of performance) has been smashed. These features reflect a willingness on the part of the Chinese leadership to adapt their policies to the demands of overseas investors.



Safety in English

At the same time, fourteen coastal cities have been opened to foreign trade and investment. These include Shanghai, China's largest seaport, Dalian, once known as Port Arthur, and Tianjin, the largest container port in China. China's long-term objective for the open cities is to absorb outside investment and import advanced technology, master it, and develop new products of its own.

To speed the progress of China's modernization, the State Council has raised the economic status of six large municipalities — Beijing, Chongqing, Shanghai, Shentag, Tianjin and Wuhan — to that of a province. This means that these cities are now empowered to conduct foreign trade and sign contracts with foreign investors. They report only to the central government, bypassing their respective provincial governments. Parenthetically, Chongqing, a sprawling mountainside city of fourteen million people located in the

upper reaches of the Yangtze River, has signed a "twinning" agreement with Toronto.

Since the process of opening up to the world began in 1979, China's import and export trade has developed rapidly, particularly with Japan, the scope of external exchanges and contacts has been widened and the techniques of economic cooperation have been diversified. Currently, there are some 7,700 Sino-foreign joint ventures, Sino-foreign cooperative enterprises and wholly foreign-owned businesses. Financial links with the outside world have increased too. So have political and cultural exchanges. These developments give some indication of the economic possibilities latent in China's open door policy. They also reveal that the Chinese leaders are serious about their economic reform program.

Remaining problems

Yet China's export-led growth means foreign borrowing. And China is worried about its rapidly mounting foreign debt which nearly tripled to US\$25-27 billion between 1983 and 1986 — a remarkable rate for a country which until recently had no apparent real need of external financing. Other current concerns include:

1. Some trends in agriculture. China's grain production has stagnated over the past two years, partly as a result of the conversion of farmlands into orchards, tea plantations, fish ponds and other cash crops. Cotton production and pig rearing are also decreasing. Equally important, farm price subsidies have risen to more than 7 percent of total state spending.
2. Rising prices. Although prices for a large portion of commodities are still at levels set many years ago, the prices of vegetables, poultry, pork and fish have risen significantly in recent years. As a consequence of these and other price increases, the real income of about 20 percent of the urban population of 200 million is falling.
3. The relatively slow pace of urban reform. For a variety of reasons, state-owned enterprises have not responded vigorously to the new economic freedoms. Observing the low growth in the state and collective sectors in 1986, Premier Zhao Ziyang, who is also Acting General Secretary of the Chinese Communist Party Central Committee, has recently called on the country's large- and medium-sized enterprises to improve their managerial performance by introducing various forms of the contractual responsibility system.
4. The increasing frequency of malpractices such as smuggling, fraudulent shipments, bribery, embezzlement and foreign exchange speculation in some of the special economic zones (especially Shenzhen) and coastal cities.
5. A breakdown in family planning. Many people are defying the one-child-per-family policy adopted in 1979, jeopardizing China's goal of a population below 1.2 billion in the year 2000. In 1986, China produced 1.6 million more babies than planned. Some studies suggest that the population may rise to 1.5 billion by the year 2025. At the moment, China feeds 21 percent of humanity on only 7 percent of the world's arable land.
6. An acute housing shortage. Despite spending US\$48 billion on urban housing since 1949, a recent survey indicates that almost one-third of all Chinese city dwellers live in sub-standard housing. While most urban homes have running water, electricity and kitchens, only

42.5 percent have indoor toilets; heating is available in only 24.4 percent of urban homes in northeast China, north China and northwest China. Some estimates claim that China will have to add 700 million square meters of living space in the cities before the year 2000, if it wishes to solve the urban housing problem.

7. Urban environmental pollution, particularly air pollution. Dust and floating pollutants in the atmosphere have surpassed official limits in all of China's major cities, and only a small amount of wastewater and residues (such as night soil) are treated for safe disposal or recycling.

Political difficulties

What it comes down to is that China's remarkable economic progress since the late 1970s has introduced a whole set of new problems. Not surprisingly, these problems have increased the tensions between the reformist and conservative elements of the Chinese leadership. A new campaign against "bourgeois liberalization" (vaguely defined as excessive Western influences) is one manifestation of the ongoing struggle and debates over China's economic and political future. Another sign of battle is the renewed attempt to promote the "Four Cardinal Principles" which insist on the (1), socialist road to development (as opposed to the capitalist road) (2), dictatorship of the proletariat (3), leadership of the Chinese Communist Party and (4), dictates of Marxism-Leninism-Maoism. A proposed law on China's publications, drafted by a team of hard-line ideologues, is a further indication of conflict within the party. This draft law, which is being readied for adoption by the standing committee of the National People's Congress, forbids editors and journalists to criticize the party line, party officials, foreign policy or the leaders of friendly countries. There can be no doubt that this "News and Publications Law" is a clear denial of the "Double Hundreds" principle ("Let a hundred flowers blossom and a hundred schools of thought contend"). Needless to say, these developments have alarmed many editors, intellectuals, urban workers and rural peasants. Even so, it is still widely believed that there is little likelihood of a return to the anti-rightist campaign of 1958-59, when thousands were killed and a million or more interned in labor camps, much less a reversion to the repression of the Cultural Revolution of 1966-76.

Given the disagreements among the various factions within China's leadership, new economic mechanisms such as a law providing the legal structure for converting state-owned enterprises into joint stock companies, a major reform of the price system, a dismantling of the system of price subsidies in the urban economy, the establishment of a national stock exchange, and the creation of a comprehensive unemployment insurance system have been put on hold. On

the other hand, the core elements of the economic reform program already implemented or approved are to be continued. In March 1987 Premier Zhao Ziyang outlined the key tasks for the economy in the coming months as "deepening" the reforms in place while preparing for further reforms in 1988. He also affirmed the urgent need to keep a constant balance between "social" demand and supply. In recent years China's economic planners have developed a system of "macroeconomic levers" like those used by Western governments. Monetary and fiscal policy, interest rates and exchange rate management and selective application of financial credits and subsidies have joined production quotas and rigid control of prices and wages. In addition, gross domestic product has been added to the traditional socialist measures of economic output.

Conclusions

Notwithstanding its intention to build a "socialist economy with Chinese characteristics," China has no theory of development. As a result, catch-as-catch-can experimentation appears to be the order of the day. Even so, China's economic reforms have been on the right track.

Notwithstanding a desire on the part of the reformers to "change state supervision over enterprises from mainly direct to mainly indirect control," the Chinese economy is still too closely connected to the political system. If the new economic measures are to have a good chance of succeeding, the leadership must allow political change.

Notwithstanding China's growing reliance on foreign capital, the country remains well within its debt-service capacity. The annual total of China's debt and interest comes to only 15-20 percent of the country's annual foreign earnings.

Notwithstanding the general impression of overseas interests that China presents numerous obstacles to profitable business operations, the investment climate in China has improved markedly in the past year and is going to get better, perhaps significantly better, in the coming years. This suggests that China is finally coming to terms with the 20th century.

Taken together, these comments imply that if the reform group within the Chinese leadership comes out of the 13th National Congress of the Communist Party (scheduled for October 1987) with a firm grip on the party (i.e., the central committee, the politburo and the standing committees), the executive branch of the government (which is headed by the State Council) and the succession to Deng Xiaoping (who is eighty-two years old) — and this is appearing more probable with each passing day — then the broad outlook for China is bright on all fronts — economic, political, social and cultural. □

Book Reviews

How the Sea treaty was made

by Jim Manly

Ordering the Oceans: The Making of the Law of the Sea by Clyde Sanger. Toronto: University of Toronto Press, 1987, 225 pages, \$14.95 paper, \$30.00 cloth.

Although Canada has the longest coastline in the world and is bounded by three oceans, most Canadians tend to take our oceans for granted. Only when crises arise do we turn our national attention from freight rates or the auto pact and realize the significance of our character as a maritime nation.

Clyde Sanger's study provides a helpful point of departure for Canadians who want a greater understanding of such crises as an Atlantic boundary dispute with France, a US icebreaker travelling uninformed through our Northwest Passage or a foreign tanker oil spill on the west coast. The book provides an overview of the Third Law of the Sea Conference (1974-1982) which developed international law for the very kinds of problems Canada faces on its ocean frontiers. It places the Conference in historical context, outlines the main players and analyzes the major areas of contention and their resolution.

Sanger shows how different issues affected Canada and how Canadian participants who played a major role in the Conference were usually able to negotiate agreements in our interest.

The book provides some interesting examples of the way in which alliances among different states shifted

in accordance with the issue under debate. For example, the extension of national sovereignty beyond the three-mile limit placed many straits which had been partially international, entirely under the jurisdiction of one or two nations. The United States and Russia worked together, with Britain as their diplomatic agent, to ensure that these changes would not impede the passage of their warships or require submarines to sail on the surface. In the same way, the United States worked with Russia to limit control over scientific research which had military implications.

The development of the 200-mile Exclusive Economic Zone produced some very interesting results. Both France and Britain, because of overseas island possessions, gained more ocean territory than did either Canada or the Soviet Union. New Zealand, with several small islands to the north, east and south, also made tremendous gains in ocean territory. Apart from a few countries such as Indonesia, the Third World did not fare so well from the extension. Although undeveloped countries did make some gains from the Law of the Sea Conference, Sanger shows that the interests of the developed countries were well protected during negotiations.

Readers interested in peace and the environment will be upset to read that Article 236 exempts military vessels from environmental provisions of the Convention. Sanger suggests that because coastal states wanted above all to secure natural resource rights, concern for the environment took second place and was easily traded for other considerations. It would have been helpful if the author had explored further the implications of this suggestion.

Although it reached consensus on a wide range of subjects, the Law of the Sea today is caught in the doldrums.

The United States, Britain and West Germany have not signed the treaty although 159 countries have done so. The Treaty will come into force only when sixty nations have also ratified it. For it to be effective, a good number of these sixty nations must be among the powerful industrialized nations of the West. Sanger points to the ideological reasons behind the United States refusal to sign and the negative impact this refusal can have on other countries. He indicates some arguments against ratification by Canada, but concludes that it is in Canada's interest both in terms of resources and in terms of international peace and security for us to ratify it. "The alternative to the protection offered by the Convention is the exercise of power politics. An uncertain venture always for more forceful countries, the resort to power politics is for Canada a ludicrous thought."

As a British Columbian, I must object to two incidental mistakes in Sanger's book. The Skeena River does not flow into the Pacific at Kitimat (p.26), but near Prince Rupert; and the Trail smelter is not American owned (p. 107) but has been a subsidiary of Canadian Pacific since 1898.

The chief value of *Ordering the Oceans* is the capsule summary of major issues in the Law of the Sea Convention and the implications for Canada. It also has value as a description of a lengthy and complex diplomatic process. It is not always easy reading but it will repay the careful reader with a better understanding of the issues facing Canada and other nations as they come to terms with the legal complexities of our Common Heritage in the world's oceans.

Jim Manly of the New Democratic Party is Member of Parliament for the British Columbia constituency of Cowichan — Malahat — The Islands.

Hangin' together

by Harald von Riekhoff

No Other Way: Canada and International Security Institutions by John W. Holmes et al. Toronto: Centre for International Studies, University of Toronto, 1987, 162 pages, \$10.95.

This short volume offers judicious and realistic reflections on Canadian participation in international security institutions by John Holmes and other academic specialists and diplomatic practitioners. The authors generally have more confidence in the effective management of conflict by the United Nations and NATO than in the creation of new security institutions or the radical reform of existing ones. Theirs is not, however, an uncritical or automatic endorsement of the status quo.

The book notes a variety of deficiencies in the UN system, in particular the tendency of parties to a dispute to regard involvement by the Security Council as an undesirable interference, and the unwillingness of members of the Council to take sides, thereby making the UN increasingly irrelevant. The authors suggest some improvements in the conflict management role of the UN, e.g., more frequent resort to informal in camera meetings of the Security Council to consider disputes prior to their escalation to open hostilities; increased use of Article 36 of the Charter empowering the Council to recommend appropriate procedures or methods of adjustment; and greater reliance on consensual decision making. The latter, it should be noted, is not without hazard, for it can promote ambiguity of decisions or immobility.

For NATO, any formal bifurcation of the alliance into an integrated European and an American pillar — a concept which has figured in a number of recent reform schemes — would threaten to intensify intra-alliance conflicts by removing the salutary effect of cross-cutting cleavages. Moreover, it would tend to isolate Canada and leave her without natural partners within NATO. In contrast, more effective defence cooperation by the European

alliance members — but short of a formal division of NATO, as Gerald Wright observes — might provide an incentive for an increased Canadian commitment to the conventional defence of Europe.

Contrary to current academic fashion, the authors are inclined to place greater value on effectiveness than on independence as a yardstick to assess the success of Canadian foreign policy. The principal task of Canadian security policy, as they see it, should be to facilitate consensus-building in NATO and in the UN. Increasingly, this task also entails what John Holmes refers to as damage limitation, in the face of mounting international criticism and hostility toward the United States. Overall, the book provides a persuasive argument which finds a middle course between illusion and despair.

Harald von Riekhoff is a Fellow at the Canadian Institute for International Peace and Security in Ottawa.

Generals at work

by John Gellner

Five War Zones: The Views of Local Military Leaders by Brigadier-General Ahmed M. Abdel-Halim et al. Elmsford N.Y.; Pergamon Press, 1987, 184 pages, US\$13.95.

Far removed as we fortunately are from areas of armed conflict, actually under way or threatening to break out at any moment, we rely on the reports of journalists and on the judgment of scholarly analysts when trying to picture for ourselves what is happening in those war zones, and why things are happening there as they do. It should thus be of some help to see the situation for a change from the perspective of those who would be right there, in positions of command, if existing conflicts should spread or if this or that simmering powder keg should blow up. This is done in this book by way of contributions from five senior officers, one Egyptian, one Israeli, one South

Korean, one Pakistani and one Saudi Arabian. This makes for interesting reading, but because the outlook of the writers is, with one exception, a narrow one — which is not surprising since they are all military professionals who are inclined to see things entirely in terms of facts and figures of troop strength, armaments, communications, terrain — the estimates of the situations, and even more so the forecasts, have to be taken with a healthy dose of skepticism.

To start off with the exception: the piece on "The Soviet Invasion of Afghanistan and Its Impact on Pakistan", by Brigadier Zia Ullah Khan of the Pakistan Army, gives a clear picture of the very dangerous situation the country finds itself in as the result of the occupation — one really can not call it anything else — of its western neighbor by Soviet Forces and of having become, whether it wanted or not, the base from which the Afghan *mujaheddin* conduct their operations against the occupiers. Even before that, Pakistan had been faced with grave difficulties — the continuing and so far futile search for a viable political system, the want of national cohesion, economic woes. These have been aggravated by the guerrilla war in Afghanistan and the resulting influx of some three million Afghan refugees. There is also the lingering threat from the East, from India, with which Pakistan has been engaged in three wars in the forty years of its existence. The author is undoubtedly right when he says that, under the circumstances, a "stable and strong Pakistan is an absolute necessity to check the Soviets' ambitions" and that to keep it strong is clearly in the best interest of the free West in general, and of India, as well. All in all, a piece well worth reading and pondering.

As for the rest of the book, two of the contributions deal with the ongoing Iraq-Iran war, and how it affects the rest of the world because it has made the Gulf a battlefield. The one by Colonel Abdulaziz bin Khalid Alsu-dairy of the Saudi Air Force is of little significance, because its conclusion is so utterly unconvincing: that the six countries of the Arabian Gulf Cooperation Council should, and most likely could, look after their own defence and thus after their economic interests, with

only technical help from the United States.

Then there is the piece by Colonel Lee Suk Bok of the South Korean Army, on "The U.S. Forces' Influence on Korean Society." He admits that they have greatly contributed, by their presence and by the influence that presence has had on general US policy toward South Korea, to the spectacular economic rise of the country, shown in the more than 35-fold increase in the yearly Gross National Product, a figure not matched anywhere else in the world. On the other hand, that presence has been, the author argues, one of the prime causes of social instability. This is entirely believable. Something like that also happened in South Vietnam where the same outside influence intruded upon a society that was not prepared for it. The author's recipe: the withdrawal of forces, not prematurely as was the case in South Vietnam, but only after South Korea had built up its forces to the point where it could count on being able to deter another attack from the north. This should not be too difficult — and could most probably have been done already — given the country's human and material resources. It is thus surprising that the author sees this point reached only in the next century.

The lengthiest contribution is that of Brigadier-General Yehuda Bar of the Israeli Army, who looks at "The Effectiveness of Multinational Forces in the Middle East." In fact he deals only with forces that are (or, in one case, were) directly or indirectly concerned with keeping the peace in Lebanon, and thus in the main with UNIFIL (United Nations Interim Force in Lebanon) in the southern part of that unfortunate country. The piece is accompanied by very good reference material in the form of tables, maps and charts. While it also otherwise provides useful information, the conclusion at which the author arrives — that UNIFIL has been a total failure because it has not succeeded in keeping the peace in the area — is surely unacceptable. The mode of UN interpository peacekeeping we now have, devised at the height of the 1956 Suez crisis by Canada's Lester Pearson and UN Secretary-General Dag Hammarskjöld, was never suited to, and indeed was never meant to be capable

of, peace enforcement. What it could do was to create, on the political side, conditions, an atmosphere as it were, favorable to the definitive settlement of a conflict, and on the humanitarian, to ensure livable conditions for the civilian population while that settlement was still outstanding. The first of these two tasks UNIFIL could never accomplish, what with no established government on one side of the conflict; the second it *has* accomplished. Life goes on in southern Lebanon under the aegis of the UN Force. Indeed, the local people who had largely fled the area in the beginning of the Civil War when fighting there was practically continuous, have for the most part returned. UNIFIL has thus done, and continues to do, all it could under the circumstances.

All in all then, this book is a quite interesting addition to, but certainly no substitute for, more searching examinations of developments in some of the world's crisis areas.

John Gellner is Editor-in-Chief Emeritus of the Canadian Defence Quarterly of Toronto.

Trying to be both healthy and numerous

by David Bennett

Habitat, Health, and Development: A New Way of Looking at Cities in the Third World edited by Joseph S. Tulchin. Boulder, Colorado: Lynne Rienner Publishers, 1986, 182 pages.

In June 1983 a small but distinguished interdisciplinary group of scholars met at the University of North Carolina, Chapel Hill, brought together by Tulchin and Hardoy in the hope that a dialogue could be started between health professionals and urban specialists, particularly planners, so that each side could better appreciate the other's approach to problems of health and disease in Third World cities. After twenty-five years of working on habitat and shelter problems. Hardoy had been

struck by the centrality of health concerns among popular settlement inhabitants the world over, and had subsequently discovered that health professionals were largely ignorant of the non-biomedical sequelae of habitat characteristics, and urban planners were similarly myopic about the health consequences of specific shelter policies. This book is the edited transcript of that meeting, attended by urban specialists, demographers, social planners, public and environmental health experts and field researchers, particularly from Latin America.

The nine papers range over definitions and indicators of health and disease, problems of obtaining reliable and current data, the general characteristics of "squatter" settlements, the nature of primary health care, and the importance of basic infrastructure such as having separate systems for water supply and sewage disposal. There are five sessions of "discussions" in which the exchanges are lively, broad-ranging, frank and comprehensive. They are also delightfully free of rancor, and of fruitless disciplinary ax-grinding. The most significant exchange in the book takes place during a discussion, when Alonso rebukes his colleagues for "intellectual migration" in moving from health to housing, to poverty, to policies of distribution, systems of representation and political legitimacy, and eventually to "The System." This movement from the specific to the general leads only to hand-wringing and a feeling of helplessness which then legitimizes doing nothing. Satterthwaite's rebuttal is that we should be delighted if everyone made that migration, as too much specificity is more likely to forestall the conception of effective policies — private or public — than is too much awareness of the breadth of the system being dealt with. All in all, somewhere in this book almost every facet of the health-housing relationship is mentioned — from the development of housing standards and public health statutes in eighteenth century England to the vested interest of multinational pharmaceutical manufacturers in not finding vaccine-based alternatives to current chemotherapies for schistosomiasis.

This is an austere produced little book, almost totally verbal and in a low

budget typeface; but it is very stimulating, if not provocative. It is impossible to read it thoroughly and carefully without feeling a strange mixture of elation and despair, elation in that such obviously sensitive, knowledgeable and intelligent people are spending their time trying to unravel such problems, yet mixed with despair because the problem seems complex beyond comprehension, and its amelioration extremely remote.

The book is not easily accessible inasmuch as a great deal of prior conceptual knowledge is presupposed; you cannot walk in off the street — metaphorically — and expect readily to appreciate or even follow much of what is discussed. But the effort is one that should be made, especially by an increasingly parochial and geographically ignorant North America.

David Bennett is Associate Professor of Geography at Carleton University in Ottawa.

Inside deepest Asia

by Robert E. Bedeski

***Mongolia: Politics, Economics and Society* by Alan J.K. Sanders. Boulder, Colorado: Lynne Rienner (original publisher Frances Pinter, London), 1987, 179 pages.**

This volume is one of a series on "Marxist Regimes" which examines systems from Afghanistan through the PDR of Yemen. The author is a Mongolist and journalist, who has provided a wealth of information and analysis on this second oldest of Marxist regimes — the Mongolian People's Republic (MPR). Aside from its intrinsic interest, the MPR provides a model for what Afghanistan's future may hold if the USSR consolidated its occupation.

By the end of the thirteenth century, the Mongol empire extended from Eastern Europe to Java, but today the Mongols are divided into the MPR, which is practically a Soviet satellite, and the Outer Mongolian Autonomous Region of the the People's Republic of China. Politics in the MPR have followed the lead of Moscow since the 1920s. In the 1930s, the Buddhist church was virtually destroyed, and

today there is only one "working" monastery.

The author considers the costs and benefits of close relations with Moscow. The country has a single-party system which mirrors the USSR, and has had slight knowledge of or contact with the outside world. It has little freedom and there are the constraints of a planned economy. On the other hand, Soviet and Comecon aid has been fairly generous in recent years. It is calculated that USSR provided over 11 percent of Mongolian GNP during the 1976-79 period. Economic development has progressed, and the population is expected to double in twenty-six years. Most importantly, the author thinks that the Soviet presence has protected Mongolia from the Chinese and the Japanese since 1921. He observes, "Mongolia in the form of the MPR has survived as the one self-governing homeland for the Mongols and a source of pride and hope for them."

Geopolitically, Mongolia is "between a hammer and an anvil." The MPR was admitted to the United Nations in 1961, and has been expanding its diplomatic relations slowly. Relations with the USSR remain primary. As former Premier Tsedenbal said to Brezhnev in 1974, Mongolians and Soviets are "one crew in battle, one team in labor."

The book provides an excellent overview of the MPR, and includes a number of useful charts, tables and maps. But it is weak in penetrating official statistics and newspaper accounts. The chapter on the political system, for example, is strong in explaining political structures, but has little to say about politics — the interests, personalities, factions and other dynamics of the system. This may reflect the difficulty of getting information about Mongolia, but it makes the book less useful in penetrating the obscurity of MPR politics.

***Who's Who in the People's Republic of China, Second Edition* by Wolfgang Bartke. New York: K.G. Saur Inc. (original publisher K.G. Saur Verlag, Munich), 1987, 786 pages, US\$175.00.**

The 1987 edition contains 3,700 biographies with over 1,000 photographic

portraits, and represents a major expansion of the 1981 edition, which had 2,026 biographies. Deaths, purges, and resignations left only 917 of those biographies for inclusion in the second edition. Appearing a few months before the 13th Party Congress, this volume will probably need some updating by the end of the year.

Nevertheless, the *Who's Who* will remain an important and valuable reference work for anybody interested in, or dealing with, contemporary China. The biographies are arranged in alphabetical order, with Chinese (*pinyin*) rendering of names. Photographs, where available, and of uneven quality, are included with the entries. Each entry begins with "Posts held," in sequence of Party, Government, National People's Congress, Military, Mass Organizations, Provincial Administration, and Others. Next, the biography may have a paragraph on the person's life up to 1949. This is followed by a chronology of events since October 1949 (the founding of the PRC), and included events up to July 1986.

The compiler tells us that he has culled the names and biographies since 1958, with a personnel file of 60,000 persons and 7,000 organizations. The information is based on sources such as the Chinese daily press as well as Taiwan and Hong Kong archives. The PRC has broken from the past, and personnel data is not treated with secrecy, although it must be laboriously searched in the daily press. Artists, scientists and writers comprise about one-quarter of the biographies in the present edition, in contrast to the small proportion in the earlier edition. This is attributed to the Deng policy of upgrading the status of "cultural workers."

The index section helps to summarize much of the information in the biographies. The "Retrospective Tables" include charts of Politburo Members (1927-1986), members of the Politburo Standing Committees (1956-1986), leading Party Secretaries at the provincial level since 1949, and PRC diplomatic relations and ambassadors (1949-July 1986). Another set of tables lists the Politburo and Secretariat members of the 12th Central Committee of the Communist Party of China, the 12th Central Committee membership, including alternate members, and

other important Party Committee membership. Leading members of state organs, the Standing Committee of the National People's Congress, and provincial leadership provide a thorough list of China's public political elite. The final table lists the biographies by occupations.

The second edition is highly recommended to scholars, diplomats and organizations having exchanges or business with China. A few spelling errors marred the text, but it is otherwise a high quality, easy to use reference work. Because of rapid changes, and high personnel turnover, an annual update would improve its usefulness.

Robert E. Bedeski is Professor of Political Science at Carleton University in Ottawa.

Textbook IR

by Jim Guy

"Foreign Policy and Defence Policy," a chapter in Politics in Canada by Robert J. Jackson, Doreen Jackson and Nicolas Baxter-Moore. Scarborough, Ont: Prentice-Hall Canada, 1986, 778 pages, \$34.80.

Textbooks of Canadian politics are vulnerable documents. Their authors are instructed by publishers to write for the uninitiated, while many potential adopters demand an analytical sophistication beyond the digestive capability of their intended audience. Sometimes the end product is a reading experience acceptable to neither constituency. But, from time to time, a book is produced that can teach the novice political scientist and at the same time satisfy the expectations of teaching colleagues by using nuanced evaluation and persuasive organization.

The questions to ask in judging the value of a text on Canadian politics are: Is it readable? Can adopters teach around its organization? Is it comprehensive? Is it factual and informative? Does it stimulate readers to ask questions and raise theoretical issues?

This is a review of *one* chapter entitled "Foreign Policy and Defence Policy" in Jackson et al., *Politics in Canada*. Foreign policy and international relations tend to be neglected areas in introductory texts on Canadian politics. Part of the reason for this is that, at most Canadian universities, course specialization in political science relegates the study of foreign affairs to upper-level offerings. Unfortunately, many students are introduced to Canada solely as a domestic political study, even though foreign policy can also be an exciting gallery of learning for the amateur political analyst.

The writers of *Politics in Canada* make good their claim of "a fresh contribution to the general literature on Canadian politics." The inclusion of a chapter on foreign and defence policy gives students using this text a chance to gain a comprehensive perspective of

the Canadian political system. On balance, this is a good chapter, with stimulating, wide-ranging questions and written in a provocative fashion. The approach used is attractive for the beginning student, blending perspectives on foreign policy by revealing historical and descriptive insights.

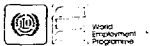
This last of the chapters in the book begins with a nuts and bolts examination of Canadian foreign policy, focusing on its history, contemporary sources, and dissecting it into trade policy, involvement with international organizations, bilateral and multilateral ties, and defence policy. Each heading and subheading takes the reader on an excursion of interesting insights into the organization and process of one of the most complicated aspects of policymaking for Canadians. Students quickly learn of the scattered inputs for determining foreign policy within a federal state. The result is an excellent case study of how bureaucrats can colonize politicians in an apparently accountable political system.

The authors argue convincingly that institutions play a major role in the conduct of foreign policy. A compelling case is made that institutions matter and that foreign policymaking is an economic as well as a political process. In short, students are exposed to the intricacies of a complex decision-making system with clearly written descriptive vignettes of Canada's international presence.

There are some shortcomings. A number of statements can mislead the novice consumer, such as "Outside its borders, a government has no legal authority." Then there is the ridiculous married to the redundant, as with "Policy-makers must take into account latent opinions and anticipate in advance the public's reactions to various policy alternatives." We also are treated to an occasional understatement, as in "But in recent years the economic component of foreign policy has become increasingly important." The authors might also want to verify the membership figure on the Commonwealth. It appears understated or is a typo that could easily be corrected, along with other minor ones, in a future run of the book.

WORLD RECESSION AND GLOBAL INTERDEPENDENCE

EFFECTS ON EMPLOYMENT, POVERTY AND POLICY FORMATION IN DEVELOPING COUNTRIES



A WEP study
 Edited by R. van der Hoeven and P.J. Richards
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What effect has the post-1979 depression in OECD countries had on the poorer groups of the population in developing countries? To find an answer to this question, the ILO launched a joint research project, under the auspices of the World Employment Programme, between its teams in the various regions of the world and the ILO's headquarters in Geneva. The present study, with contributions from Latin America and the Caribbean, Africa and Asia, is the first result of this research.

Available from:
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Nothing is said about the role of Canadian diplomats in the conduct of our foreign policy. Like other bureaucrats, diplomats are influential in determining the character and direction of our external relations. There is one table showing the distribution of Canadian posts abroad by geographic region. But it is not clear whether these are embassies, consulates or both. And no explanation is provided for what functions these "posts" perform for External Affairs.

Apart from these minor reservations, the chapter is recommendable reading for undergraduates. The authors show enthusiasm for their subject and avoid the off-putting jargon so often confronted by beginning students in texts of Canadian political affairs. On the whole, the chapter under review is a reasonably timely and up-to-date survey of Canada in the international system — a useful and resourceful addition to the educative literature on Canadian foreign policy.

Jim Guy is Professor of Political Science at the University College of Cape Breton, Sydney, N.S.

Macdonald Commission persuaders

by Peyton V. Lyon

The Politics of Canada's Economic Relationship with the United States edited by Denis Stairs and Gilbert R. Winham, Toronto: University of Toronto Press, 1986, 210 pages \$16.95.

This rewarding volume offers five of the papers that helped the Macdonald Commission reach its compelling conclusion in favor of free trade with the United States. None, however, advocated that course. Three are relatively neutral while the others are characterized by the excessive caution typical of Canadian political scientists. Most of them, indeed, seem determined to deprive their economist colleagues of the distinction of pursuing the "dismal science."

Jack Granatstein, a political historian, contributes a lucid, authoritative account of Canada's earlier flirtations

with continental free trade. He concludes, not surprisingly, on a note of caution. Jock Finlayson offers a clear, but quite familiar, analysis of shifts in Congressional attitudes and behavior. Like Stephen Clarkson and others, he urges a heavier concentration of Canada's diplomatic resources on Washington. Wisely, however, he concludes that our principal target should remain the administration. Two American contributors, Gary Hufbauer and Andrew Samet, demonstrate with ease the reasons why a sectoral approach to continental free trade, so appealing to many Canadians, would simply not work. They urge Ottawa to adopt a bolder, more comprehensive approach.

The chapter by Charles Pentland illustrates why he is the one Canadian political scientist studying international integration to have earned an enviable international reputation. He analyzes thoughtfully the potential domestic consequences of free trade areas in general, and with the United States in particular. While remaining well within the cautious tradition of Canadian political science, Pentland easily dismisses the alarmism characteristic of Canadian nationalists such as publisher Mel Hurtig and Shirley Carr, President of the Canadian Labour Congress.

The most theoretical chapter is by Professor Kim Richard Nossal. With healthy skepticism, he assesses the global literature on economic nationalism, and then the Canadian variant. Usefully, he rejects the labelling of advocates of free trade with the United States as "continentalists." But Nossal's proposed alternative, "integrationalist," is no improvement! Certainly free trade *could* be a step towards tighter forms of political and economic union. But the historical record demonstrates that free trade has always stopped at that level, or contributed to a *decline* in overall "integration." Informed advocates of a Canada-US free trade arrangement make a persuasive case that they are actually promoting Canadian independence, both economically and politically.

If Nossal and others wish a new label to describe supporters of free trade fairly and accurately, why not try "free trader?"

Peyton V. Lyon is Professor of Political Science at Carleton University in Ottawa.

Chronicling 1986

by Clyde Sanger

Canada among Nations: 1986/Talking Trade edited by Brian W. Tomlin and Maureen Appel Molot. Toronto: James Lorimer & Company, 1987, 230 pages, \$14.95 paper, \$24.95 cloth.

This is the third in a (profitably unending?) series of books by the Norman Paterson School of International Affairs at Carleton University. In chapters written mostly by Carleton professors, these books usefully chronicle, one calendar year at a time, the efforts of Canada on the world stage. Occasionally, too, they tell you when some of the stage scenery fell on this minor player; but 1986 was not a year when the roof fell in. So this volume is a useful, rather than an exciting, book.

Of course, there are disadvantages in writing about a single year. The reader is often left in the middle of some development, waiting for the climax; 1986 was an awkward year in that way. The Canada-US trade talks were under way, but also under wraps; so Tomlin and Molot are left hovering — and hawing — in any judgments. David Leyton-Brown has the simpler job, done very competently, of describing the shakes and the shingles we went through during the early rounds. Again, Joel Sokolsky is kept waiting for the Defence White Paper, but fills his space with good background material about the Commitment-Capability Gap and the deplorable state of our naval forces. And of course the advantage of these yearly chronicles is that you feel impelled to buy the next volume, to learn how some of it ended.

Of its eleven chapters one of the most interesting is that of Harald von Riekhoff on the structure of decision-making and management of foreign policy. For he has contrasts to make — the "brokerage politics" of Brian Mulroney versus the "rational management" of Pierre Trudeau — and trends to analyze, such as the quasi-anarchy of 1984-85 being gradually sorted out through a resurgent Privy Council Office. And the use by Mulroney of summitry to speed up an immobile bureaucracy. Here, one feels, we are glimpsing how it really is.

There seems to be a certain randomness about the selection of subjects. Obviously there has to be a chapter on arms control and East-West relations, and all Fen Osler Hampson's valiant efforts to paint Canada's part in bright colors only emphasizes what a bit-actor we are in that drama. Ted English had a good idea to contrast Canadian and US interests around the Pacific Rim. But Michael Dolan's chapter on South-South trade is an odd

choice. He has to pull harder than a Newfoundland fisherman to bring Canada in on that line.

Which leads one to the omissions. Why is there nothing on our Africa policy? Why is there nothing about offshore Canada, its problems over maritime boundaries and fishing quotas? Why nothing about the environment, in the year of Chernobyl and acid rain arguments with Washington and the Brundtland Commission? In the 16-

page chronology, there are only five environmental entries and no mention of Mrs. Brundtland's team touring Canada. Oh well, there's always the 1987 volume — and *that* should be exciting!

Clyde Sanger is an Ottawa writer. His latest book is Ordering the Oceans: The Making of the Law of the Sea.

Letters to the Editor

Sir,

Professor Jockel protests a bit much. I did not accuse his book (*Canada and Collective Security: Odd Man Out*) of advocating policies favored by the American government, or NATO. And I questioned no one's patriotism. My three careless words — “perhaps too long” — should have been fully explained. They referred to attitudes, not specific policies.

Despite our intimate, and generally beneficial alliance, a huge difference obviously exists between the world views characteristic of the United States — a superpower — and Canada, a modest middle power. Americans tend to be obsessed with power. Canadians are more prone to think in terms of diplomacy and peaceful settlement. Professor Jockel has studied Canada for many years without ever grasping that essential difference. He remains incorrigibly American, and I trust he does not regard that as an insult.

The puzzle is why Professor

Sokolsky, a Canadian, agreed to co-author such a savage attack on his country's defence policy, one replete with such phrases as “riding almost free,” “just barely on the bus” and “shirking.” He could have held these views before his long period of study and teaching in Washington and, if so, I apologize. In my thirty years in Canada's academe, however, I have rarely encountered such reverence for military power, or contempt for Canada.

Many of my colleagues are still agonizing over the American influence over our universities. Recently particular concern has been expressed (see this journal, May/June, September/October and November/December 1986)) about the impact on our foreign policy of reliance on American textbooks and professors. I have consistently contested this concern and argued that our teaching of international politics has benefitted greatly by American scholarship.

The book under review makes me wonder whether I have been right.

Peyton Lyon
Ottawa

Sir,

In his review of *Amnesty International Report 1986 (International Perspectives, Sept/Oct 1987)* Tom Sloan is troubled by one “niggling question”:

It somehow seems appropriate to use the same cool tone to describe the legal execution of convicted murderers as one does to detail the wholesale murder and torture of dissidents.

Amnesty International condemns torture and the death penalty in all cases without exception. In our view, there are no circumstances whatsoever — even national emergencies — that can justify the infliction of pain and death by a government upon the prisoners under its jurisdiction.

Amnesty International's opposition to both torture and the death penalty is based on the same article of the Universal Declaration of Human Rights (Article 5) which states that no one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment. In the view of our organization, an execution — the total extinction of a human personality — is the cruelest, the most inhuman and degrading punishment of all. We believe that it is torture carried to its ultimate conclusion.

Robert Goodfellow
President
Canadian Section (English speaking)
Amnesty International
Ottawa

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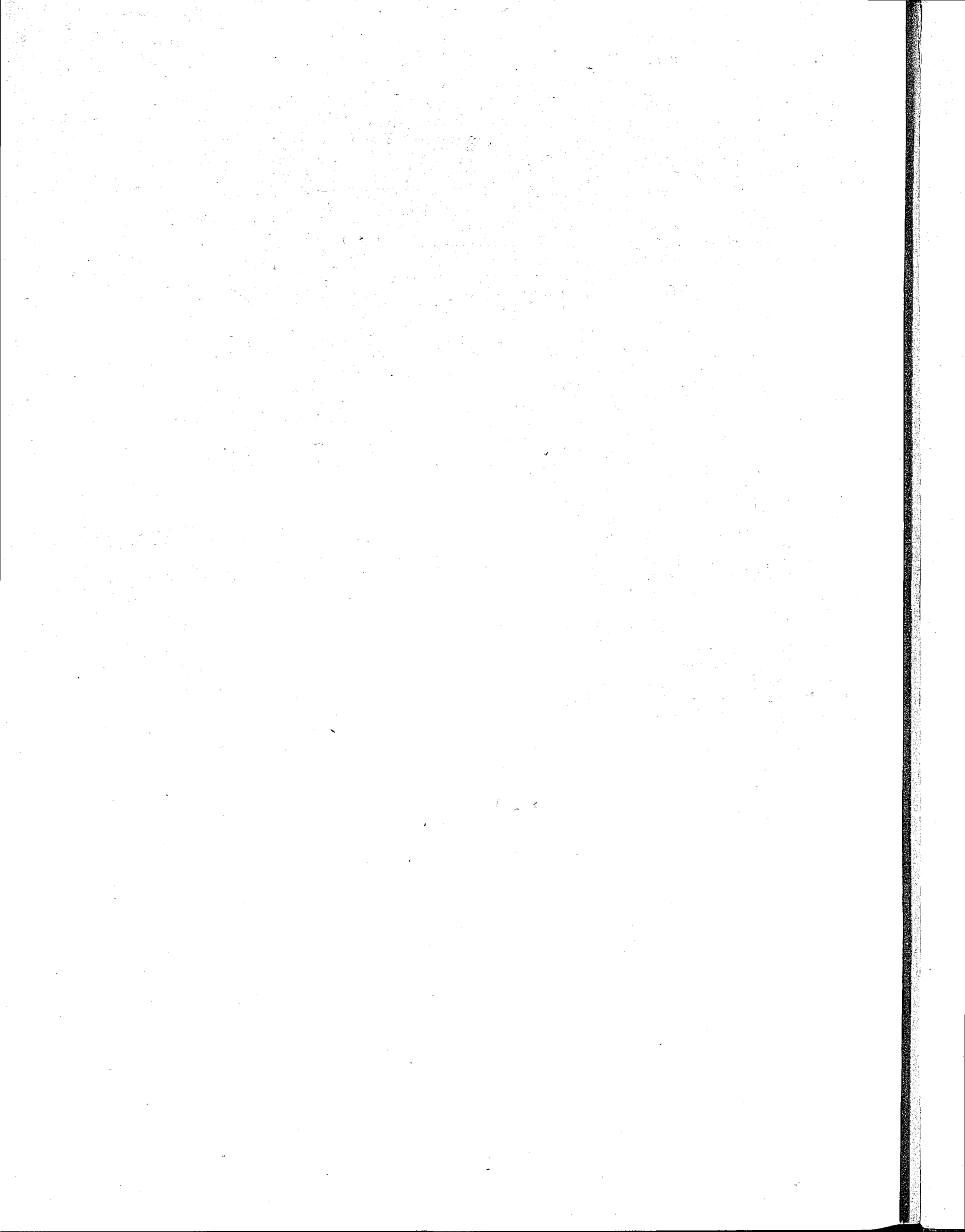
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