



news release

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CANADA WELCOMES INTERNATIONAL TIN COUNCIL'S
RESOLUTION ON OUT-OF-COURT SETTLEMENT

The Secretary of State for External Affairs, The Right Honourable Joe Clark, and International Trade Minister John C. Crosbie welcomed the International Tin Council's adoption today of a resolution formally accepting the offer of an out-of-court settlement made by the Council's creditors.

Mr. Clark stated that Canada has played an important role in the development of the out-of-court settlement confirmed by the resolution adopted by the Council's 23 Member States. The settlement was negotiated under the leadership of a Canadian, Mr. T.B. Smith, formerly Assistant Deputy Attorney General with the Federal Department of Justice.

Mr. Crosbie noted that this settlement is subject to a number of conditions and will only be considered finalized with the payment of approximately \$365 million (182.5 million pounds sterling) on March 30, 1990. Canada's contribution to the settlement will be approximately \$13 million (6.21 million pounds sterling).

Mr. Clark pointed out that this settlement preserves the legal position defended by Canada and other Council Member States that member states of an international organization are not responsible for debts incurred by that organization when it has a distinct legal personality. Nevertheless, in a spirit of equity, it was considered appropriate to offer an "ex gratia" indemnification to the creditors of the International Tin Council which suffered significant monetary losses. Once finalised on March 30th, the settlement will bring an end to all proceedings against the Council and its Member States anywhere in the world.

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The International Tin Council suspended the operations of its tin buffer stock in October 1985. This led to the collapse of the tin market and was followed by arbitrations and court proceedings against the Council and Member States in Great Britain, Canada, and other jurisdictions. The creditors, largely bankers and brokers, had been seeking to recover losses that they had estimated to be over one billion dollars.