

Bilateral Agendas:  
Canadian Foreign Policy  
on the Ground



# Bilateral Agendas: Canadian Foreign Policy on the Ground

Louis A. Delvoie

Centre for International and Defence Policy  
Queen's University  
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## *Martello Paper Series*

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Queen's University's Centre for International and Defence Policy (CIDP) is pleased to present the latest in its series of monographs, the *Martello Papers*. Taking their name from the distinctive towers built during the nineteenth century to defend Kingston, Ontario, these papers cover a wide range of topics and issues in foreign and defence policy, and in the study of international peace and security.

CIDP hosts a number of Fellows, whose extraordinary experience and expertise across a range of subject areas are invaluable in ensuring that the work of the Centre is and remains of interest and value in both academic and policy circles. We are extremely fortunate that we can count Louis A. Delvoie as one of their number. With a thirty-year career in the Canadian Foreign Service serving, amongst other roles, as the Canadian High Commissioner to Pakistan, the Ambassador to Algeria, the Deputy High Commissioner to the United Kingdom, the Director General of the Bureau of International Security and Arms Control in the Department of External Affairs, and Assistant Deputy Minister for Policy in the Department of National Defence, Ambassador Delvoie has been 'front and centre' of Canadian foreign policy through one of the most intriguing and formative periods in this country's history. This edition of the *Martello Papers* series leverages his unique perspective on the bilateral relationships that Canada has developed with a range of countries overseas.

Although Canada makes a positive contribution to, and works within, a number of multinational organisations, bilateral relationships are the critical foundation of international diplomacy and interaction. Con-

sequently, Canadian diplomats are constantly engaging with their counterparts around the world to strengthen bonds across a whole spectrum of interests, often without great fanfare. If we are to fully understand and appreciate Canada's position in the international system, acknowledging the role of these missions is critical.

Taking a 'cookie-cutter' approach to international diplomacy is inadequate in the extreme, and effectively building and nurturing bilateral relationships requires sensitivity to the nuances of the temporal and geo-political context. Nevertheless, as the author suggests, while the global situation is fluid, the tools available to the Canadian government to navigate these sometimes choppy waters remain constant. *Bilateral Agendas: Essays in Canadian Foreign Policy* provides us with a fascinating insight into the way in which Canada's bilateral diplomatic engagements have developed in a selection of countries, including some that might not have always appeared on the radar of any but the keenest of policy observers. Nevertheless, they represent locations in which Canadian diplomats have expended considerable time and energy, often with great effect. Each chapter can be seen as a stand-alone article that provides a close examination of the history and development of Canada's relationships with particular countries. As a whole, however, they comprise a valuable lens through which we can observe the broader shape of Canadian diplomacy, giving us a penetrating analysis of a range of the challenges, considerations and circumstances that can affect the way that Canada develops its foreign policy and bilateral relationships. Versions of these chapters have appeared in a variety of high-quality publications over the previous twenty years, and the insights that they provide give not only an overview of Canada's connection with a geographic region, but also a snapshot of the way in which the situation was viewed when the article was written. These insights remain remarkably prescient and enduringly valuable.

As is the case with all *Martello Papers*, the views expressed here are those of the author and do not necessarily reflect the position of the Centre or any of its supporting agencies. I trust that you will enjoy *Bilateral Agendas: Essays in Canadian Foreign Policy* and find the author's observations as illuminating as I have.

*Stéfanie von Hlatky*  
*Director, CIDP*  
*August 2017*

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## *Acknowledgements*

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As indicated in the Introduction, all of the chapters in this book have appeared in print in the form of articles or chapters in edited volumes over the last 20 years. The chapter on the Maghreb countries was published in the journal *Canadian Foreign Policy* in 1996. Those on Egypt and Italy were published in *International Journal* in 1997 and 2000 respectively. An early version of the chapter on India appeared in the *Round Table* in 1998 and a subsequent revised and updated version in Christopher Sam Raj and Abdul Nafey (eds.) *Canada's Global Engagements and Relations with India* (New Delhi, 2007). The essays on Indonesia and Turkey were issued in the *Occasional Papers* series of the Queen's University Centre for International Relations/Centre for International and Defence Policy in 2010 and 2011 respectively. Finally, the chapter on diplomacy in Pakistan was part of a collection edited by my friend and colleague Dr. Robert Wolfe and entitled *Diplomatic Missions: The Ambassador in Canadian Foreign Policy* (Kingston, 1998).

I am grateful to all of the editors of the publications mentioned above for seeing merit in my modest offerings. Many of them offered helpful advice on ways to improve my initial texts.

Since retiring from the Canadian Foreign Service I have found a thoroughly congenial home in the Queen's University Centre for International Relations, now the Centre for International and Defence Policy. Over the years the directors of the Centre have provided me with both friendship and much useful advice in my work. I should like to express my sincerest thanks to Dr. David Haglund, Dr. Neil MacFarlane, Dr. Charles Pentland, Dr. Kim Richard Nossal, and Dr. Stéfanie von Hlatky.

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Finally, I should like to acknowledge the love and support of my wife Frances. For over 45 years she has been steadfast at my side in confronting both the highs and lows of a career on four continents. My debt to her is immense.

## *INTRODUCTION*

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Multilateralism has long been viewed as a hallmark, if not the foundation stone, of Canadian foreign policy. And with good reason. Canada has been an inveterate “joiner” in the multilateral system. As a middle power in a world long dominated by great powers, Canada has found that in building or adhering to coalitions of like-minded countries within diverse international organizations lay the key to success in achieving many of its foreign policy objectives. In multilateralism Canada has also found a very useful, albeit very partial, counterweight to its dominant relationship with the United States. And in Canada’s international relations, the multilateral dimensions are the ones which usually attract the headlines, whether it is summits of the G-8 or of the North Atlantic Treaty Organization (NATO), ministerial meetings of the World Trade Organization (WTO) or the Organization of American States (OAS), or international conferences on climate change or human rights.

With the exception of the Canada-United States relationship, which is the object of almost constant study and scrutiny, Canada’s bilateral relationships attract considerably less attention. There is a very modest body of scholarly literature on Canada’s relations with a few major partners, such as the United Kingdom, France, Russia, China, Japan and India. Beyond that there is very little. Relations with important countries such as Italy and Spain, Brazil and Argentina, Indonesia and Pakistan, Egypt and Turkey have attracted scant attention. This is perhaps understandable since the nurturing and development of bilateral relationships is a steady, unspectacular process in which Canadian interests are pursued without much hype or attention being paid to the fleeting

fashionable ideas of the hour. These relationships are the end product of years or decades of quiet incrementalist diplomacy. By and large, these are not processes which grab the headlines. And yet, bilateral relationships are important to Canada for at least two reasons. On the one hand, they are the main framework within which Canada pursues the “bread and butter” dimensions of its foreign policy – trade, investment and immigration. On the other, they are the building blocks of the coalitions or alignments which Canada seeks to forge or join in the pursuit of its foreign policy objectives in multilateral arenas.

Despite the relative lack of publicity and public attention, bilateral relationships are the ones to which the Canadian government devotes the vast majority of its diplomatic resources. In 2010, the Canadian government maintained 164 bilateral missions in 105 countries, including embassies, high commissions, consulates and trade offices. By way of contrast, it had only nine missions accredited to multilateral organizations. In and of themselves, these figures provide at least one answer to the question “where’s the beef?” in Canadian foreign policy.

In the development of its bilateral relations with other countries the Canadian government can and does deploy a wide range of instruments. These include:

- The establishment of diplomatic relations and the dispatch of an ambassador or high commissioner.
- Setting up trade, investment and immigration sections within the Canadian mission.
- The launch of bilateral development assistance programmes.
- The negotiation of basic bilateral agreements such as double taxation agreements, mutual legal assistance agreements and air transport agreements.
- The initiation of programmes of cultural and public diplomacy, and the facilitation of cultural, scientific, academic and youth exchanges.
- The injection of agencies such as Export Development Canada, the Canadian Commercial Corporation and the Canadian Wheat Board in the pursuit of trade objectives.
- The dispatch of trade missions, and official participation in the trade and industrial fairs of the other country.

- The negotiation of free trade and investment protection agreements.
- The establishment of intergovernmental mixed commissions to deal with economic and development assistance issues.
- The negotiation of security cooperation agreements in fields such as defence, counter-terrorism, organized crime and narcotics smuggling.
- The promotion of high-level visits and exchanges involving heads of state, heads of government and cabinet ministers.

While all of these instruments are available to the Canadian government, they would not all be deployed in all cases. The choice of instruments would depend in large measure on the nature and extent of the interests being pursued in a given country. It would also depend on circumstances surrounding the relationship. Thus the Canadian government would not normally consider negotiating a cultural and academic exchange agreement with a country from the Global South that has an inadequate educational system and high rates of illiteracy. Similarly, it would not normally envisage concluding a security cooperation agreement with a government which was routinely hostile to Western countries in its foreign policy or which was guilty of massive human rights violations.

The selection of instruments to be used in any country or group of countries will also be a function of the finite political, diplomatic and financial resources available to the Canadian government. While some instruments can be deployed by simple executive fiat, others often require prolonged and arduous negotiations involving ministers and senior officials. Even the basic costs of maintaining diplomatic missions abroad can sometimes severely tax the finances of the Department of Foreign Affairs and International Trade. For these reasons alone, the Canadian government must be highly selective in its choice of potential bilateral partners, weighing up the level of its interests in any particular country. It simply cannot hope to maintain substantive relations with all 193 member states of the United Nations. Nor should it.

Finally, the process of developing bilateral relations with other countries, much like the course of true love, is not without heartbreaks. Obstacles and setbacks are not uncommon, and over the years they have

repeatedly tested the mettle and resilience of Canadian diplomacy.

• • •

As noted in the Acknowledgements at the end of the text, all of the chapters in this volume were written and published over the last twenty-two years. Some of the earlier ones deal with situations and conditions which no longer prevail today. In that sense they are historical in nature. What has not changed to any great extent is the arsenal of policies, techniques and actions which the Canadian government deploys to develop bilateral relationships with other countries. In that sense these chapters are still topical. The purpose in bringing them together here is to provide a unified and systematic examination of the bilateral dimensions of Canadian foreign policy. With one exception, all of the essays examine the evolution and development of Canada's relations with a number of countries in Europe, North Africa and Asia. The exception is the chapter on Pakistan, which seeks to illustrate the role of the head of a diplomatic mission in sustaining and enlarging a bilateral relationship. It is more personal in tone than the other essays, since it recounts the author's experiences as High Commissioner to Pakistan in the 1990s.

## *BUILDING NEW RELATIONSHIPS*

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### **The Maghreb Countries: 1964–1996**

Throughout most of Canada's first century as a nation, the countries of the Arab Maghreb (Algeria, Morocco and Tunisia) were colonies or protectorates of France without any independent role in the community of nations. Therefore the relationships which Canada began to develop with these countries in the late 1960s had no historical or traditional basis. They were not the product of geographic proximity, of old affiliations in common enterprises or international organizations, or of immigrant communities in Canada. Rather they resulted from deliberate policy-making on the part of the government of Canada in response to specific domestic and international concerns and interests. In this they represent an interesting case study in the systematic development of bilateral relationships within the context of a comprehensive Canadian foreign policy, and as building blocks of that policy. In Canada's relations with Algeria, Morocco and Tunisia are to be found in microcosm three thrusts of Canadian policy: the maintenance of national unity, the promotion of social justice through assistance to the Global South, and the fostering of economic growth through the expansion and diversification of Canada's export markets.

## **Impetus and Policy Orientations**

If Quebec's "Quiet Revolution" of the early 1960s was to leave an indelible mark on Canada's domestic politics and constitutional evolution, it was also to have a significant impact on the country's foreign policy. As Quebec and French Canada progressively made their weight more strongly felt within the Canadian confederation, there was a recognition on the part of the foreign policy establishment in Ottawa that Canada's international relations were heavily skewed in favour of the English speaking world, whether through the very close bilateral ties to the United States and the United Kingdom or through the multilateral networks of the Commonwealth. Nothing comparable existed in Canada's relations with France or other Francophone countries, a situation which would have to be remedied if French Canadians were to feel that they had a direct stake in Canadian foreign policy, as part of a broader effort to give them a greater feeling of belonging in Ottawa and in Canada at large.<sup>1</sup>

This thinking progressively found its way into the declaratory policy of the Canadian government. Thus in a 1965 speech at the University of Montreal, the Secretary of State for External Affairs, Paul Martin, said "It is the policy of the Government to ensure that the bicultural nature of our country is reflected in all parts of our external policy."<sup>2</sup> In a statement to the House of Commons a year later he went much further in saying: "It is the policy of the Canadian Government to give full expression, in its international relations, to the bilingual and bicultural character of our country. The development of our ties with the Francophone countries... represents a new and valuable dimension of Canadian diplomacy."<sup>3</sup>

The translation of these statements of intent into action first took the form of a systematic effort to strengthen Canada's bilateral relations with France, and led by the end of 1965 to the conclusion of a framework agreement on cultural relations and to the establishment of a joint commission responsible for monitoring and enhancing economic, financial and commercial relations between the two countries. At the same time the Canadian government began to take a more systematic approach to developing its relations with the countries of Francophone Africa.<sup>4</sup> Among the first to benefit from this policy was Tunisia, where in 1964 Canada mounted a modest assistance programme involving the dispatch



of some 40 Canadian teachers to Tunisia, and the provision of some 20 scholarships for Tunisians to study at Canadian universities. In mid-1966 Canada established an embassy in Tunis, and the press release issued to mark the event noted “the similarity of outlook on many aspects of world affairs shared by the two countries, and the affinities resulting from the importance to both of the French language and culture.”<sup>5</sup>

But if these initiatives of the Canadian government were intended in the first instance to better reflect Canada’s bilingual and bicultural character in foreign affairs, they quickly took on more complex motivations. These were the product of three phenomena: First, the ever more assertive claims by the Quebec government to the right to play an autonomous role in international affairs. Second, the encouragement given to some of those claims by the French government. Third, the development of new international organizations and institutions bringing together the Francophone countries of the world. While the Canadian government was at the forefront of those advocating the creation of an international Francophone community, and while it was prepared to recognize Quebec’s legitimate interests in developing both bilateral and multilateral cultural relations with Francophone countries, it was not prepared to see challenged its constitutional rights and responsibilities for the conduct of Canada’s international relations. Among the Canadian government’s responses to this situation was a determination to strengthen relations with the countries of Francophone Africa by increasing its programme of aid to them and thus “pre-empt a potential Quebec programme.”<sup>6</sup>

In early 1968 a veteran Liberal cabinet minister, Lionel Chevrier, was selected by the Canadian government to undertake a wide-ranging mission to seven countries of Francophone Africa. The ostensible purpose of the mission was to explore the needs of these countries in the field of development assistance and to offer Canada’s cooperation to them. But the mission also had a clearly political sub-text:

Chevrier was told by Martin to offer assistance to the francophone states for a specific political reason: to illustrate that Ottawa was the source of greater aid than Quebec could ever aspire to. However, there was to be no assistance to those African states who were following a course of action inimical to Canada’s federal structure or sympathetic to Quebec’s aspirations.<sup>7</sup>

Among the countries visited by Chevrier were Tunisia, Morocco and Algeria, and it was during these visits that the foundations were laid for Canada's long term development assistance programmes to the three Maghreb countries. It was also as a result of the Chevrier mission that the decision was taken to give institutional expression to Canada's relations with one of these countries through the establishment of the Canada-Tunisia joint commission, which held its first meeting in Tunis in February, 1969.<sup>8</sup>

In terms of the general policy on development assistance promulgated by the Canadian government in 1970, the programmes put in place in Tunisia, Morocco and Algeria were intended primarily to promote "social justice" and the "quality of life" in the recipient countries. But the Maghreb countries were certainly not selected as countries of concentration on the basis of development assistance needs alone, for they were by no means among the poorest or most needy countries of Africa. Other criteria and considerations elaborated in the Government's policy statement may indeed have been far more germane in the case of the Maghreb:

Development assistance will tend to be concentrated in countries whose governments pursue external and internal policies that are broadly consistent with Canadian values and attitudes. The Government believes that the development objectives can complement and reinforce other Canadian objectives in the developing countries.... Broadly speaking, the opportunity for gaining international understanding of Canada's national interests and objectives will be enhanced by an increasing development aid programme.<sup>9</sup>

These broad political considerations, which in the case of the Maghreb countries were focussed on Canada's national unity concerns, were supplemented by economic considerations which were to play a major role in Canada's relations with Algeria, and to a lesser extent with Morocco and Tunisia. The Government statement of 1970 also speaks of development assistance in the following terms:

It provides an initial source of financing for export of Canadian goods and services to the less developed nations and provides Canadians with the kind of knowledge and experience which help support the expansion of Canadian commercial interest overseas. Successful economic devel-

opment in the less advanced countries will...provide a growing market for Canadian goods and services.<sup>10</sup>

The commercial dimension was to remain one of the most enduring facets of Canadian aid programmes in the Maghreb countries. Thus as recently as 1992 the Canadian International Development Agency (CIDA) stated that in the Maghreb “CIDA seeks to encourage the transfer of technology...and to support projects promoting economic and commercial trade.”<sup>11</sup>

The start-up phase of Canada’s relations with the Maghreb countries also coincided with the launch of another policy initiative of the Canadian government: the drive to diversify Canada’s international economic relations in the aftermath of the “Nixon shock” of August 1971. A review of Canada-United States relations conducted in 1971-72 concluded that Canada should adopt a policy aimed at lessening “the vulnerability of the Canadian economy to...the impact of the United States” and that this policy should among other things involve “the active pursuit of trade diversification and technical cooperation...on a global basis as one means of avoiding excessive reliance on the United States.”<sup>12</sup> In the first instance, the implementation of this thrust of the so-called “Third Option” policy produced a series of endeavours to strengthen Canada’s relations with the European Community and with Japan. By the mid-1970s it had also come to encompass the Arab world where sharp increases in the price of oil had created new export opportunities. The Maghreb countries, where Canada had already established entrées through its aid programmes, were among the first Arab countries to be targeted, especially Algeria with its substantial revenues from oil and gas production.<sup>13</sup>

These various strands in Canadian foreign policy came together in the process of developing Canada’s bilateral relations with the Maghreb countries over a period of years, as can be seen in a brief examination of those relations on a country-by-country basis.

## **Tunisia**

In the decade following its attainment of independence in 1956, Tunisia managed to carve out for itself an enviable reputation and image in the

Western world. The government of President Habib Bourguiba (1956-1987) was resolutely pro-Western in its foreign policy throughout the Cold War, and it was seen as a force for moderation and compromise in Arab-Israeli affairs and in the numerous disputes which divided the Arab world. While its influence was limited due to the relatively small size of its territory, population, economic resources and armed forces, Tunisia attracted substantial quantities of development assistance from a wide array of Western countries. It is thus perhaps not astonishing that Tunisia was one of the first countries which came to the attention of the Canadian government in the mid-1960s when it began the process of diversifying its aid disbursements to Africa so as to encompass a number of Francophone countries.

In its initial phase, the Canadian aid programme to Tunisia concentrated on technical assistance. By 1971 there were 130 CIDA cooperants and 20 CUSO volunteers working in Tunisia, while 50 Tunisian students and trainees were in Canada under CIDA sponsorship.<sup>14</sup> By the mid-1970s, however, the balance of the programme had begun to shift; the number of advisers, students and trainees declined while the number of projects supported by CIDA increased to the point where it was involved in no less than 27 rural development projects, including a major irrigation dam in the Kairouan district.<sup>15</sup> As the programme evolved, it also put greater emphasis on the transfer of technology to Tunisia and on support for the creation of institutional linkages such as those between the University of Montreal/Laval University and the School of Preventive Medicine in Sousse.<sup>16</sup> Over the long term, the CIDA programme for Tunisia became the largest and most expensive in the Maghreb; disbursements between 1965 and 1995 amounted to more than \$240 million as compared to \$130 million for Algeria and \$136 million for Morocco.<sup>17</sup>

The large Canadian aid programme to Tunisia did not, however, translate itself into the creation of significant trade opportunities for Canada. Canadian exports to Tunisia remained modest, and even on those rare occasions when Canadian industry did manage to secure a major export contract, it was usually on the basis of concessional financing provided by CIDA.<sup>18</sup> The Canadian government made repeated efforts to expand Canada's place in the Tunisian marketplace through the dispatch of ministerial and commercial missions to Tunisia in the

early 1980s,<sup>19</sup> but to little avail as Tunisia's trade remained firmly rooted in its traditional economic relations with France and other countries of the European Community. This lack of commercial success may in part explain what seems to have been a falling-off in Canadian government interest in Tunisia in more recent times. Thus whereas the Canada-Tunisia joint commission met eight times between 1969 and 1982, it met only once between 1983 and 1993.<sup>20</sup>

But if the bilateral relationship which the Canadian government had so assiduously cultivated with Tunisia was to prove disappointing on the commercial front, it was exactly the opposite in terms of the government's national unity objectives. From the very start, the Tunisian government displayed understanding and sympathy for the positions and prerogatives of the federal government in the long series of disputes engaging Ottawa, Quebec and Paris in the international institutions and organizations of the *Francophonie*. As two distinguished chroniclers of Prime Minister Trudeau's foreign policy noted somewhat cryptically: "Trudeau made a favourable impression on President Bourguiba of Tunisia; and Bourguiba thereafter took a friendly attitude towards the Canadian federal government."<sup>21</sup> Tunisia in fact became a country on which the Canadian government could rely to adopt constructive and supportive positions.<sup>22</sup>

## Morocco

As was the case with Tunisia, Canada found in Morocco a politically stable and pro-Western country. It too played a moderating role in Arab-Israeli affairs, but was able to exercise far more influence than Tunisia because of its larger population, resource base and armed forces. This influence was buttressed by the fact that King Hassan II (1961-1996) could lay claim to the hereditary title of "Commander of the Faithful", which conferred upon him a degree of prestige in certain traditional Islamic communities. While Morocco's foreign policy was rooted in strong bilateral relationships with France and the United States, it displayed an openness to other Western countries and welcomed the Canadian overtures of the late 1960s.

The Canadian aid programme for Morocco focussed on the training

of cadres, the improvement of agricultural structures, the development of renewable resources and the launching of new mining operations. By the mid-1970s there were some 95 Canadian teachers, technicians and advisors working in Morocco under the auspices of CIDA.<sup>23</sup> At the same time the number of Moroccans studying in Canadian institutions of post-secondary education increased steadily. CIDA also fostered and funded institutional linkages such as those between Queen's University and the Mohammed V University in Rabat, and between the University of Montreal and the Moroccan Centre for Strategic Studies. Most recently the programme has concentrated on supporting human resources development and technology transfers involving the private sector business communities in both Canada and Morocco. The total value of the programme over its 30-year existence (1965-1995) is estimated at \$136 million.

From very modest beginnings in the 1970s, Canada's commercial relations with Morocco grew rapidly in the 1980s. By the early 1990s the annual value of Canadian exports to Morocco reached \$233 million, only to fall back somewhat in more recent years. Aided at first by a CIDA line of credit and subsequently by EDC export financing on a project-by-project basis, Canadian firms made significant commercial inroads in fields such as telecommunications, mining and air transport, as well as in the export of sulphur.<sup>24</sup> Despite fluctuations in the value of trade, Morocco has established itself as Canada's third or fourth largest trading partner on the African continent.

Beyond the confines of aid programmes and commercial exchanges, the relationship between Canada and Morocco was to find expression in a number of bilateral agreements and in the movement of peoples. Thus the two governments signed agreements providing for the establishment of commercial air links between Casablanca and Montreal, for the avoidance of double taxation and the prevention of fiscal fraud, and for the transfer of prisoners to serve their sentences in their home countries.<sup>25</sup> The 1982 agreement which created the Canada-Morocco joint commissions was the most symbolically important, bringing together ministers and senior officials to discuss ways of enhancing economic, cultural and scientific cooperation between the two countries. All of this has been accompanied by steady growth in the movement of peoples between the two countries: there are now some 60,000 people of Mo-

roccan origin living in Canada and some 30,000 Canadian tourists visit Morocco each year.<sup>26</sup>

Common membership in the international institutions and organizations of *la Francophonie* has also served to reinforce relations between Canada and Morocco. In terms of the Canadian government's national unity objectives, Morocco has consistently shown itself supportive of the positions of the federal government in the various phases of the Ottawa-Quebec-Paris competition, as they have manifested themselves in Francophone international bodies.<sup>27</sup>

## **Algeria**

The relationship which Canada developed with Algeria proved over the long term to be both more substantial and more complex than its relations with Tunisia and Morocco. The foreign policy posture which Algeria adopted following independence in 1962 was supposedly based on principles of rigorous non-alignment, but often proved to be pro-Soviet and strongly anti-Western. There was nothing surprising in this. The single party which dominated Algerian politics in the thirty years following independence, the Front de Liberation National (FLN), was the direct emanation of the eponymous liberation movement which had fought Algeria's long and bloody war of independence against France. The political, financial and military support that it had received during that war had come from the Global South and Eastern Bloc countries, while most Western countries had remained silent or neutral in the interests of preserving their relations and alliances with France. It was in light of this reality that Algeria under the FLN often struck radical anti-Western positions in its international relations and acquired a reputation for giving unreserved support to anti-colonial revolutionary movements throughout the world. But beneath its well publicized political and military relations with the Eastern Bloc and its frequently strident advocacy of revolutionary action in and by states in the Global South, there was another reality: Algeria's international economic relations were chiefly with Western countries, whether in the fields of aid, trade or technology. This dependence on the Western world for its economic development gave another, less well publicized, dimension to

Algeria's foreign policy, one which welcomed relations with a country like Canada.

The Canadian government's initial foray into Algeria via the Chevrier mission of 1968 was motivated by the same national unity concerns which had prompted its initiatives elsewhere in Francophone Africa. But its actions and objectives in Algeria were to come up against circumstances very different from those prevailing anywhere else on the continent. While many former French colonies wanted to preserve and promote the French language and culture and to give expression to *la Francophonie* in new international institutions, Algeria categorically rejected both of these ideas. On the one hand, the Algerian government was committed to the complete Arabization of the country as a means of restoring an authentic Algerian culture which had been destroyed by the French during 130 years of colonial rule. On the other hand, the Algerian government saw in the internationalization of *la Francophonie* little more than a device of the French government to retain its influence over its former colonies.<sup>28</sup> Algeria was thus a non-participant, at least officially, in the affairs of the Francophone community of nations and thus of no help to the Canadian government in bolstering its positions in the Ottawa-Quebec-Paris imbroglios which occurred within the framework of that community.

Algeria did, however, play into the national unity concerns of the Canadian government, but in a totally different way. Algeria's traditional support for liberation movements and its granting of asylum to exiled members of these movements (usually under the auspices of the FLN party rather than the Algerian government itself) came to the fore during and after Canada's FLQ crisis of October 1970. Among the first demands of the FLQ kidnappers of British diplomat James Cross was "The release of 23 so-called political prisoners. Air transport to move the prisoners to Algeria or Cuba".<sup>29</sup> While the Canadian government never considered the release of any prisoners, it did envisage Algeria as one possible destination for the abductors themselves if they released Cross safe and sound. It was in this context that the Canadian government entered into its first sustained contact with the Algerian government, in order to discuss possible safe conduct arrangements for the abductors. In the event and "for various practical reasons (geographical distance, presence of a Cuban consulate in Montreal and of a resident



Canadian mission in Havana) it was decided that these arrangements should be made with Cuba".<sup>30</sup> A few FLQ exiles did, however, manage to make their way independently to Algeria, and set up there a "Délégation extérieurs du FLQ" which had a short-lived existence from December 1970 to the Spring of 1972.<sup>31</sup> In response to démarches by the Canadian government, the Algerian government gave unequivocal assurances that it did not recognize the FLQ as a "liberation movement" and that members of the FLQ living in Algiers would not be allowed to undertake any political or other activities inimical to the interests of Canada. It fully lived up to its word.<sup>32</sup>

The autumn of 1970 also saw another significant event in the launch of the bilateral relationship between Canada and Algeria. In the November of that year, an Algerian economic delegation of senior government officials visited Ottawa. Apart from signing agreements for the provision of CIDA assistance to fisheries and forestry projects in Algeria, the delegation concluded an agreement for the commercial sale of between 850,000 and 1 million tons of Canadian wheat to Algeria.<sup>33</sup> This was to prove to be the first in a series of long-term agreements for the export of Canadian wheat to Algeria and laid the foundations for a solid relationship between the Canadian Wheat Board (CWB) and the Office Algérien interprofessionnel des céréales (OAIC), which over the years ensured a reliable and predictable market for Canadian wheat.

In its early stages the Canadian aid programme for Algeria involved a number of large projects such as the construction of a fisheries school and the building of a network of grain storage silos. By the mid-1970s, however, the focus had shifted to the provision of training and expertise. In cooperation with the University of Montreal, CIDA sponsored the establishment of a management training centre for the Algerian government and assisted in the development of Algeria's Ecole nationale d'administration. CIDA also provided technical training teams for the development of expertise in certain agricultural sectors, fire-fighting and preventive medicine. At the height of the programme, CIDA was also financing the education of some 110 Algerians studying in Canada.<sup>34</sup> More recently, the CIDA programme for Algeria has concentrated on transfers of technology and on support for institutional and industrial linkages between the two countries.

The CIDA programme was instrumental in the development of Can-

ada's commercial relations with Algeria, introducing a number of Canadian engineering and management firms to the Algerian market. This allowed Canadian firms to demonstrate their expertise to the Algerian government, which controlled virtually all major sectors of the country's economy. Of no less importance was the vision displayed by the Export Development Corporation (EDC), which very early on saw the potential of the Algerian market for Canada. Starting modestly with an export credit of \$10 million extended in 1971, the EDC moved rapidly to broaden its support to Canadian exporters by putting in place a \$100 million line of credit in 1973. The Canadian scholar Peter Dobell outlines this initiative as follows::

An interesting innovation for Canada was an arrangement to supply credit to Algeria totalling \$100 million - \$85 million of which was to be provided by the Export Development Corporation and the Bank of Canada and \$15 million by CIDA. This was the first time that CIDA had used aid funds to sweeten a commercial loan, a device well suited for a country such as Algeria with a substantial revenue from oil.<sup>35</sup>

As Canada's exports to Algeria grew through the 1970s, so too did the involvement of EDC. In 1978 EDC extended a \$1.2 billion line of credit to Algeria through the Algerian Development Bank. With the exception of its engagement with China, this was EDC's largest single commitment abroad. By 1980, EDC's exposure in Algeria in terms of lines of credit, export financing and insurance guarantees amounted to \$2 billion. By way of comparison, its exposure in Morocco amounted to \$10.8 million and in Tunisia \$1.2 million.<sup>36</sup>

In the development of the trading relationship with Algeria, the growing interest and involvement of Canadian companies was key, but it would be difficult to overestimate the role of the Canadian government. Given the Algerian government's strong preference for doing business on a government-to-government basis, various agencies of the Canadian government were involved not only in normal trade promotion activities, but also in the negotiation and conclusion of agreements covering almost all major public or private sector export contracts.<sup>37</sup> Among these were contracts for the sale of wheat, milk, canola oil, tallow, ships, locomotives, industrial equipment, pre-fabricated houses, vocational training centres and vehicle maintenance depots. The efforts

of the Canadian government in Algeria certainly paid off. By 1982 Algeria ranked as “Canada’s most important trading partner in Africa and the Middle East” and “thirteenth among Canada’s economic partners in the world.”<sup>38</sup>

In the early 1980s the Canadian interest in Algeria was broadened and given explicit expression in Canadian foreign policy statements. Given the limited resources available to the Canadian government in the realm of international relations, it was decided that foreign policy objectives could be most efficiently advanced through the development of bilateral relations with a small number of countries.<sup>39</sup> The thrust of what came to be known as the “strategy of bilateralism” was explained in the following terms by the then Secretary of State for External Affairs, Mark MacGuigan:

As a basic instrument of its global, differentiated foreign policy, the government has therefore decided to give concentrated attention to a select number of countries of concentration. The purpose is generally to strengthen long-term relationships with these countries because of their relevance to our long-term domestic development objectives. But the importance of the countries in question would also devolve from their relevance to our overall objectives and interests.<sup>40</sup>

The countries identified for concerted action and attention included not only Canada’s traditional major partners (the United States, the United Kingdom, Germany, France, Japan etc.), but also a small number of oil producing, newly industrializing countries: Mexico, Venezuela, Algeria, Indonesia and Nigeria. These latter were described as having “emerged as new centres of strength and influence. They are now where a lot of the action is in matters of commerce and economic development.”<sup>41</sup>

In the case of Algeria, the “strategy of bilateralism” translated itself into a steady increase in bilateral contacts at the political level. A Canada-Algeria joint commission on economic and technical cooperation was created and held its first meetings at the ministerial level, in Ottawa in March 1981 and in Algiers in April 1982. The pace of ministerial visits and of trade missions led by ministers accelerated. Prime Minister Trudeau, accompanied by some 20 Canadian business leaders, visited Algiers in May 1981. His talks with Algeria’s president and prime min-

ister dwelt not only on the bilateral agenda, but also on his efforts to help launch the process of “global negotiations” on economic issues as a contribution to fostering a North-South dialogue in international relations. The visit represented, among other things, an explicit recognition on the part of Prime Minister Trudeau that Algeria was one of the “key developing countries” and “major nations” whose views would have to be taken into account if the process of global negotiations were to be launched with any prospect of success.<sup>42</sup>

The year 1982 saw the establishment of the first links between Canadian and Algerian parliamentarians, with an exchange of visits by delegations led by the Speaker of the House of Commons and by the President of the Algerian National Assembly. A communiqué issued in Ottawa noted that “these parliamentary exchanges are a first for Canada and Algeria and...they bear witness to the remarkable progress made in relations between the two countries over the past decade.”<sup>43</sup> By the time of the visit to Ottawa in February 1983 of the Algerian Minister of Education, to sign an agreement on scientific and technical cooperation, the communiqué language had been ratcheted up to make reference to the existence of a “special relationship” between Canada and Algeria.<sup>44</sup>

With the benefit of hindsight it is possible to see that the Canada-Algeria relationship reached its peak in terms of both content and profile in the years between 1980 and 1985. Thereafter it was to know a period of relative decline. There would seem to be three principal reasons for this. First, Algeria was hit hard by the sharp decline in the world price for oil; it could no longer afford its ambitious programme of imports from Western countries and began to build up a large external debt. Second, the Mulroney government did not attach the same importance to trade diversification as had the Trudeau government. Adopting a very different approach to Canada-United States relations, the Mulroney government largely abandoned the policy thrusts represented by the “Third Option” and the “strategy of bilateralism” which had been instrumental in the development of the Canada-Algeria relationship. Third, in the early 1990s Algeria fell prey to an ongoing period of political unrest and instability which had an adverse impact not only on its socio-economic development plans, but also on its international relations.

Despite these adverse conditions there has been an encouraging resurgence in the volume and value of bilateral trade in the last few years

and Algeria has once again become Canada's largest export market in the African and Middle Eastern region.

### **Regional and Multilateral Approaches**

Canada's relations with the Maghreb countries have, in the past, been conducted almost exclusively on a bilateral basis. The Canadian government did at various times envisage the possibility of cooperating with them on a regional basis,<sup>45</sup> but did not find in the region the necessary political will or mechanisms for doing so. Indeed, over the years numerous schemes for regional integration have run aground in the face of divergent and competing political ideologies and ambitions, to say nothing of the absence of economic complementarities. The latest iteration, the Maghreb Arab Union, launched in 1989 and described as "the most ambitious regional unity agreement to date",<sup>46</sup> has run into most of the same difficulties as its predecessors, compounded by the uncertainty generated by the political instability in Algeria.<sup>47</sup> This has not, however, deterred CIDA from mounting its first major programme (\$60 million over the period 1994-1999) with a regional focus, the purpose of which is to strengthen private sector manpower training institutions on a Maghreb-wide basis, and to foster linkages between those institutions and counterparts in Canada.<sup>48</sup> This initiative will undoubtedly pose many new challenges to CIDA, and it is still far too early to assess its prospects for success.

If Canada's involvement with the Maghreb countries on a regional basis is of fairly recent vintage, so too is its engagement in multilateral endeavours there. This came in the summer of 1991 with the announcement that Canada would participate in the UN mission (MINURSO) to establish a ceasefire and conduct a referendum in the Western Sahara, in order to finally settle the political fate of the former Spanish colony and bring to an end fifteen years of low intensity guerilla war which had pitted the Moroccan army against the POLISARIO guerilla movement, supported by Algeria and occasionally by Libya. The Canadian government agreed to provide a force commander and a contingent of 740 troops to the peacekeeping element of MINURSO, but in announcing this publicly it made no reference to Canada's interests in the Maghreb,

nor to its relations with the countries of the region; the reason for Canada's participation was said to be "Canada's long standing commitment to international peacekeeping."<sup>49</sup> In the event, MINURSO accomplished very little, confronted as it was with Moroccan obstructionism and with the inability of the parties to agree on an electoral roll for the holding of the referendum. Only a few Canadian troops out of the 740 committed were ever actually deployed to the Western Sahara, and for the most part they found the experience thoroughly frustrating. Canada (together with Australia) withdrew its last troops from the Western Sahara in 1994, leaving MINURSO with only a skeleton presence on the ground and no closer to achieving the objectives for which it had been created.<sup>50</sup>

On the broad international security agenda, and in terms of Canada's international security policy, the dispute in the Western Sahara is of relatively little importance. There are, however, aspects of the security situation in the Maghreb which could in the longer term prove to be of more direct interest to Canada because of their links to stability and security in Western Europe. These issues were summarized in a 1993 publication of the International Institute for Strategic Studies in the following terms:

The future of North Africa is important, not only for the general stability of the larger Mediterranean region, but also for the internal cohesion of the European community. The challenges faced, or even presented by, the Maghreb states may not be military in nature, but the force of non-military threats to their security and internal stability carry both immediate and long term implications for their European neighbours. High levels of demographic growth, insufficient rates of economic development and the more violent manifestations of Islamic radicalism are the most critical of destabilizing factors in the region... Nearly five million North Africans live in Europe and constitute the largest immigrant population of France... The management of issues such as radical Islam, for example, has become a concern as much for Europe as for North Africa, and its development on one shore of the Mediterranean will affect its resolution on the other.<sup>51</sup>

A leading British journal put the case in even starker terms: "There is something else that unites all around the Mediterranean: fear. In Europe the fear is of Islamic fundamentalism on the other shore, and of immi-

grants fleeing either that or poverty.”<sup>52</sup>

This is a situation which should be of concern to Canada not solely, or even chiefly, because of its interests in the Maghreb, but because of the implications of the situation for Western Europe. Canada has made heavy investments in European security throughout the twentieth century and the Canadian government’s most recent foreign policy statement makes the point again that “European stability continues to be a major priority. Although threats to it are in flux, too much binds the people on the two sides of the Atlantic for our commitment to waver.”<sup>53</sup>

But it is, of course, fairly clear that Canada’s important but relatively limited presence and influence in the Mediterranean region is insufficient to permit it to act effectively on a unilateral basis to help counter or attenuate the political and socio-economic forces now threatening the stability of the Maghreb, and indirectly that of Western Europe. Competing priorities and the finite limits of Canada’s diplomatic, financial and military resources would suggest that this is one area in which the Canadian government should supplement bilateralism with multilateralism in its approach to the Maghreb countries. In this instance a policy of active cooperation with the European Union, whose member states continue to exercise the most weighty external influence in the Maghreb,<sup>54</sup> would seem to offer the best prospects for successfully pursuing Canadian objectives. The European Union’s recently announced “Mediterranean strategy” might provide a suitable vehicle for such cooperation, involving as it does targeted initiatives in the fields of aid, trade, investment, and debt relief.<sup>55</sup> As has been suggested by one European scholar, for Europe “a policy of constructive assistance rather than belated deterrence is the most cost-effective means of safeguarding the stability of both sides of the Mediterranean.”<sup>56</sup> For Canada this need not involve the commitment of large additional financial or diplomatic resources to the Maghreb, but rather the redirection of existing resources into a European-led multilateral effort to deal with problems such as mass youth unemployment and unfulfilled socio-economic expectations which lie at the heart of much of the political instability now threatening the Maghreb countries in the guise of radical political Islam.

## Conclusion

Bilateralism has served Canada well in the development of its relations with the Maghreb countries. Canada has been successful in achieving most of its objectives in the region, whether in the realms of national unity, trade expansion and diversification, or aid and development. In fact Algeria, and to a lesser extent Morocco, are rare among countries in the Global South with which Canada has been able to make the transition from an economic relationship based primarily on aid to one based primarily on trade. But once what are essentially security issues begin to present a threat to Canadian interests in a region far removed from its shores, bilateralism must be complemented by Canada's traditional attachment to multilateralism in the pursuit of international peace and security. For a middle power such as Canada there is indeed "no other way".<sup>57</sup>

## Notes

1. The thinking of the time, as it eventually came to be set out in print, is well expressed in Department of External Affairs (DEA), *Foreign Policy for Canadians: Europe* (Ottawa, 1970), p. 14-15.
2. DEA, *External Affairs*, Vol. XVII, No. 10 (Ottawa, 1966), p. 453.
3. DEA, *External Affairs*, Vol. XVIII, No. 11 (Ottawa, 1966), p. 532.
4. On the early evolution and incrementalism of this policy, see Gilles Lalande, "La francophonie et la politique étrangère du Canada," in *From Mackenzie King to Pierre Trudeau: Forty Years of Canadian Diplomacy*, ed. Paul Painchaud (Québec: Presses de l'Université Laval, 1989), pp. 222-28.
5. DEA, *External Affairs*, Vol. XVIII, No. 11 (Ottawa, 1966), p. 504.
6. Peter Dobell, *Canada in World Affairs 1971-73* (Toronto: Canadian Institute of International Affairs, 1985), p. 344.
7. John Schlegel, "Containing Quebec Abroad" in *Canadian Foreign Policy: Selected Cases*, eds. D. Munton and J. Kirton (Scarborough: Prentice-Hall, 1992), pp. 161-62.
8. See DEA, *External Affairs*, Vol. XXI, No. 4 (Ottawa, 1969), p. 182.
9. DEA, *Foreign Policy for Canadians: International Development* (Ottawa, 1970), p. 12-13.
10. *Ibid.*, p. 10.



11. CIDA, Annual Report 1990-1991 (Ottawa, 1992), p. 29.
12. DEA, "Canada-US Relations: Options for the Future" in *International Perspectives*, Special issue, 1972, pp. 17, 22.
13. See L.A. Delvoie, "Growth in Economic Relations of Canada and the Arab World" in *International Perspectives*, November/December 1976, pp. 29-30.
14. DEA, External Affairs, Vol. XXIII, No. 11 (Ottawa, 1971), p. 441.
15. CIDA, Annual Review 1971-75 (Ottawa, 1976), pp. 28-29.
16. See CIDA, Annual Review 1981-82 (Ottawa, 1983), p. 18 and Annual Report 1985-86 (Ottawa, 1986), p. 26.
17. These figures were provided to the author by the African and Middle Eastern Bureau of the Department of Foreign Affairs and International Trade (DFAIT) in December 1995.
18. For example, in 1982 Bombardier of Montreal secured a contract to supply 22 locomotives to Tunisian Railways, at a cost of \$26 million and with financing provided by CIDA and by the Export Development Corporation (EDC). See DEA, Communiqués No. 143/82 (Ottawa, 1982), 1.
19. See for example DEA, Communiqués Nos. 10/82 and 18/82 (Ottawa, 1982) and No. 66/84 (Ottawa, 1984).
20. The eighth meeting of the commission took place in Tunis in 1982 and the tenth in Ottawa in 1994. See DFAIT, Communiqués, No 227/94 (Ottawa, 1994). This falling off in Canadian government interest in Tunisia may also be in part explicable in terms of the change of government which occurred in Ottawa. Several ministers in the Trudeau government had displayed a special interest in the Maghreb and in Tunisia, most notably Jean-Luc Pepin, Charles Lapointe and Pierre De Bané. No similar interest was evident among any of the ministers in the Mulroney government.
21. J.L. Granatstein and Robert Bothwell, *Pirouette: Pierre Trudeau and Canadian Foreign Policy* (Toronto: University of Toronto Press, 1990), p. 130.
22. This is reflected for example in a 1971 communiqué which refers to Tunisia and Canada "standing together" in the Agence de Coopération culturelle et technique (ACCT). DEA, External Affairs, Vol. XXIII, No. 11 (Ottawa, 1971), p. 440.
23. See CIDA, Annual Review 1974-75 (Ottawa, 1976), p. 28.
24. See for example DEA, Communiqués No. 54/83 (Ottawa, 1983), No. 87/89 (Ottawa, 1989), No. 122/90 (Ottawa, 1990) and No. 64/91 (Ottawa, 1991).
25. See DEA, Communiqués No. 6/75 and 126/75 (Ottawa, 1975) and No. 86/87 (Ottawa, 1987).
26. These figures were provided to the author in December 1995 by the African and Middle Eastern Bureau of DFAIT. The numbers for Tunisia and Algeria are but a small fraction of those for Morocco.

27. This may have as much to do with King Hassan's firm personal commitment to strong central government in Morocco as with the productive aid and trade relationships which the Canadian government has fostered with Morocco.
28. See for example Ahmed Taleb Ibrahim, *De la décolonisation à la révolution culturelle* (Alger: Société nationale d'édition, 1973), pp. 11-20 and pp. 53-66.
29. DEA, External Affairs, Vol. XXIII, No. 1 (Ottawa, 1971), p. 7.
30. *Ibid.*, 8. This recounting of events implicitly underlined the absence of a resident Canadian diplomatic presence in Algeria, a situation promptly remedied with the announcement in March 1971 of the opening of a Canadian embassy in Algiers. See DEA, Communiqués, No. 16/71 (Ottawa, 1971), p. 1.
31. See Louis Fournier, *FLQ: Histoire d'un mouvement clandestin* (Montréal: Edition Québec-Amérique, 1982), pp. 387-89.
32. This assertion is based on the personal experience of the author who served as political officer at the Canadian embassy in Algiers from 1971 to 1973.
33. See DEA, Communiqués, No. 81/70 (Ottawa, 1970), p. 1.
34. See CIDA, Annual Review 1974-75 (Ottawa, 1976), p. 27.
35. Peter Dobell, *Canada in World Affairs 1971-1973*, pp. 199-200.
36. See EDC, Annual Report 1978 (Ottawa, 1979), 20 and Annual Report 1980 (Ottawa, 1981), p. 66.
37. The Canadian government agencies involved included the Departments of External Affairs and Industry, Trade and Commerce, the Export Development Corporation, the Canadian Wheat Board, the Canadian Commercial Corporation and the Canadian Dairy Commission.
38. DEA, Communiqués, No. 60/82 (Ottawa, 1982), p. 1 and No. 154/83 (Ottawa, 1983), p. 1.
39. On the background to the adoption of the strategy of bilateralism, see John Kirton, "Elaboration and management of Canadian foreign policy" in *From Mackenzie King to Pierre Trudeau*, ed. Paul Painchaud, pp. 72-74.
40. DEA, Statements and Speeches, No. 81/2 (Ottawa, 1981), p. 5.
41. *Ibid.*, p. 2.
42. These were the terms used by Prime Minister Trudeau in a statement to the House of Commons on 6 June 1981. See DEA, Statements and Speeches No. 17/81 (Ottawa, 1981), 9. The "global negotiations" project never came to fruition, of course, not least because of the conditions laid down by some of the "hard-line" countries in the Global South, among them Algeria. Marked differences of views between the two governments on this issue had no discernible impact on the conduct of the Canada-Algeria bilateral relationship, any more than did long-standing divergences in the two governments' approaches to issues such as the Arab-Israeli conflict.
43. DEA, Communiqués, No. 167/82 (Ottawa, 1982), p. 1.

44. DEA, Communiqués, No. 18/83 (Ottawa, 1983), p. 1.
45. For example, in a speech to the Canadian-Arab Federation in May 1976 the Secretary of State for External Affairs, Allan MacEachen, said "One area we are investigating with these governments is the possibility of tripartite cooperation projects for the development of the natural resources of the Maghreb countries." See DEA, Statements and Speeches 15/76 (Ottawa, 1976), p. 8.
46. Claire Spencer, *The Maghreb in the 1990s*, Adelphi Paper No. 274 (London: International Institute for Strategic Studies, 1993), p. 6. The agreement creating the Arab Maghreb Union was signed in February 1989 by the governments of Algeria, Morocco, Tunisia, Libya and Mauritania.
47. See for example Said Hamdouni, "Les tentatives d'intégration des pays du Maghreb" in *Etudes Internationales*, Vol. XXIII, No. 2, 1992, pp. 344-47.
48. See CIDA, *Cahier d'Information: Maroc* (Ottawa, 1995), pp. 2-3.
49. DEA, Communiqués, No. 163/91 (Ottawa, 1991), p. 1.
50. For a description of Canada's participation in MINURSO, see Jocelyn Coulon, *Les Casques Bleus* (Québec: Fides, 1994), pp. 97-120.
51. Claire Spencer, *The Maghreb in the 1990s*, p. 3.
52. "A new crusade," *The Economist*, December 2, 1995, p. 49.
53. DFAIT, *Canada in the World* (Ottawa, 1995), p. 29.
54. Beyond the links created by geography, history and immigration, there is the fact that approximately 75 per cent of the Maghreb's trade is with the countries of the European Union. These realities recently led two eminent American scholars to recommend that even the United States should coordinate its approaches to the Maghreb with those of the Europeans rather than go it alone. See Andrew Y. Pierre and William B. Quandt, "Algeria's War on Itself", in *Foreign Policy*, No. 99, Summer 1995, p. 148.
55. See "A new crusade," *The Economist*, December 2, 1995, pp. 49-50; "No room at Europe's inn: all over Western Europe, governments are becoming less and less hospitable to migrants and asylum-seekers," *The Economist*, December 9, 1995, pp. 53-54.
56. Claire Spencer, *The Maghreb in the 1990s*, p. 60.
57. See John Holmes, *No Other Way: Canada and International Security Institutions* (Toronto: Centre for International Studies, 1986), pp. 5-7.



# *FROM ANTAGONISM TO PARTNERSHIP*

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## **EGYPT: 1930–1997**

Canada and Egypt have had diplomatic relations for over 50 years. During the first two decades the relationship had little bilateral content and was largely a byproduct of the Arab-Israeli conflict, of the Cold War and of the UN's efforts to promote international peace and security. In all three of these contexts, Canada and Egypt were more often than not on opposite sides of the fence, as became particularly evident during the three Arab-Israeli wars which broke out between 1956 and 1973. In the 1970s, however, there occurred major modifications in the foreign policies of Egypt and Canada, as well as in the international security and economic environment. These modifications resulted in a slow but fundamental change in the nature of the Canada-Egypt relationship, transforming it from one often characterized by antagonism into one whose hallmark today is bilateral and multilateral partnership. For Canada, this partnership with one of the largest and most influential countries in the Middle East is an invaluable asset in the pursuit of Canadian economic and security interests in the region as a whole.

## **The Beginnings**

Official contacts between Canada and Egypt were anything but numerous before the second half of the twentieth century. What might be called the first semi-official contact occurred in October 1884 when a contingent of 386 Canadian river boatmen and militia officers landed in Egypt to assist in transporting a British expeditionary force up the Nile to rescue the legendary General Gordon, then besieged in Khartoum.<sup>1</sup> It was not, however, until the 1930s that the Canadian government established a resident presence in Egypt in the form of a Trade Commissioner's office in Cairo, which office was also responsible for trade promotion in Sudan, Palestine, Cyprus, Iraq, Syria, Iran, and Turkey!<sup>2</sup>

It was only in 1954 that the Canadian government decided to open an embassy in Egypt, along with embassies in Israel and Lebanon. The reasons given at the time are interesting: "the need for Canadian representation in the region has been recognized for some time, particularly because of the frequency with which Middle Eastern affairs are discussed in the United Nations and because of the importance to the free world of maintaining peace in this strategic area."<sup>3</sup> In the official history of the Department of External Affairs, the rationale for the decision is stated thus: "the reasons were the growing importance of the region in world affairs and the consequent need for the department to enhance its understanding of developments taking place there."<sup>4</sup> When these formulations are examined in juxtaposition, it seems evident that these embassies were not established primarily with a view to developing bilateral relations, but rather were seen as observation posts from which Canadian diplomats could report back to Ottawa on regional developments of interest to Canada in either a UN or a Cold War context.

In the case of Egypt, it may have been just as well that Canada did not have any ambition to develop closer bilateral relations. The policies pursued by the two countries in the Middle East were diametrically opposed in many respects and did not hold out much prospect for a meeting of minds or interests. Egyptian policy at the time was characterized by opposition to colonialism and imperialism, opposition to Israel, opposition to conservative Arab regimes, and by the promotion of pan-Arabism and Arab unity.<sup>5</sup> Insofar as Canada had a Middle Eastern policy specific to the region, it was centred on support for the creation

and continued secure existence of the state of Israel. In that, it clearly reflected the sentiments of a majority of Canadians who had been deeply moved by the Holocaust; it also reflected the existence in Canada of a well-organized and politically influential Jewish community.<sup>6</sup> Furthermore, the “colonialist-imperialist” powers to which Egypt was most opposed were precisely those that were Canada’s closest and most important allies - the United States, the United Kingdom, and France.

Divergences in the policies of Canada and Egypt were to become even more pronounced in 1955. After having been largely unsuccessful in attempts to secure modern military equipment from Western countries, President Nasser of Egypt turned to the Soviet Union and Eastern bloc, and in September 1955 Egypt announced that it had concluded an agreement for the purchase of arms from Czechoslovakia. Viewed as a major success in the Soviet Union’s endeavours to enhance its influence in the Middle East, the Czech arms deal “created grave concern in British and American circles.”<sup>7</sup> Those concerns were shared by the Canadian government, although “there was skepticism in Ottawa over exaggerated ideas of Nasser as a tool of Moscow.”<sup>8</sup> This skepticism notwithstanding, the Secretary of State for External Affairs, Lester Pearson, took the opportunity of a visit to Egypt in 1955 “to warn Nasser against the historic Russian designs in the Mediterranean and the Middle East, receiving the response that these were not a serious threat.”<sup>9</sup> Obviously unmollified by Nasser’s reassurance, Pearson was later to describe Egyptian policy in this period as “unfriendly to the Western powers” and as having “witnessed a gradual increase of Russian influence in Egypt and the Middle East.”<sup>10</sup>

It was in this policy context that the Canada-Egypt relationship first gave rise to domestic political controversy in Canada. In January 1956 the government was subjected to a barrage of criticism in the House of Commons for having sold 15 unarmed Harvard training aircraft and spare parts to Egypt. Government spokesmen, including the prime minister, the secretary of state for external affairs and the minister of trade and commerce, vigorously defended the government’s decision. They pointed out that the government’s policy was one of moderation and balance when it came to military sales to the Middle East. Thus the total value of such sales for 1954 and 1955 amounted to less than \$3 million. Of this, sales to Israel represented just over \$2 million while

sales to Egypt were valued at \$770,000, accounted for almost entirely by the sale of the Harvard aircraft.<sup>11</sup> While this controversy and the attendant parliamentary debates appear to have had no lasting effect on the government's political fortunes, they did serve as a warning as to how sensitive an issue arms sales to the Middle East could become, not only domestically, but also in both an Arab-Israeli and a Cold War context. It was a government headed by Lester Pearson which, in 1963, decided to resolve this problem by banning all Canadian sales of military equipment to all countries directly involved in the Arab-Israeli conflict.

### **The Suez Crisis**

The nationalization of the Suez Canal by President Nasser in July 1956 was to open a new chapter in Canadian-Egyptian relations, but this was not evident from the start. Immediately following the announcement of the nationalization, the Canadian government expressed concern and hope for a negotiated solution, but it neither criticized nor condemned the actions of the Egyptian government.<sup>12</sup> In fact, the minister of national defence, Ralph Campney, declared it to be "primarily a European matter ... not a matter which particularly concerns Canada. We have no oil there. We don't use the Canal for shipping."<sup>13</sup> It was not until the Egyptian government's action precipitated a full-blown international crisis in which important Canadian interests were at stake that the Canadian government adopted a far more critical attitude toward the nationalization of the Suez Canal. Thus in a speech to the House of Commons in August 1956, Lester Pearson described it as a "sudden, arbitrary move on the part of the Egyptian government" which put at risk "the future use for all nations, without arbitrary or unnecessary interference, of an essential international artery of trade and communications."<sup>14</sup> Later yet, Prime Minister Louis St. Laurent declared that "Egypt's nationalization of the Suez Canal increased the dangers inherent in the Middle East situation. The Egyptian action introduced a threat to the trade on which the economic life of many countries depends."<sup>15</sup> In short, Canada switched fairly rapidly from being a concerned but passive bystander to becoming an outright critic of the Egyptian government.

As the Suez crisis unfolded in the summer and autumn of 1956 and



eventually led to the Anglo-French-Israeli invasion of Egypt, Canadian government concerns and policy had relatively little to do with Egypt or with the military situation on the ground in the Middle East. Other matters likely to have a more direct impact on Canadian interests were the primary preoccupations of the Canadian government.<sup>16</sup> Chief among these was a strong determination to try to avoid irreparable damage being done to the NATO alliance as a result of the split which the invasion had precipitated between the United States on the one hand, and the United Kingdom and France on the other. As St. Laurent expressed: "NATO is vital for our security and its smooth functioning, free of any even subconscious reservations on the part of its members, is essential for its continued success."<sup>17</sup> In much the same vein, the Canadian government was deeply concerned that the United Kingdom's "imperial actions" against Egypt posed a direct threat to the future of the Commonwealth as a multiracial institution, by alienating those members who were still in the process of freeing themselves from colonial rule.<sup>18</sup> Canada also wanted to prevent serious damage being done to the UN's role and reputation as an actor in promoting international peace and security, and to avoid creating any lasting divisions between Western countries and the countries of Asia and Africa within the UN. Finally, the Canadian government was deeply preoccupied by the Cold War dimensions of the Suez crisis. If allowed to unfold unconstrained, the crisis would have provided the Soviet Union with "endless possibilities to exploit in the furtherance of its unrenounced aim to make the world over in its image."<sup>19</sup> And, of course, the threats made by the Soviet Union against the United Kingdom and France following their invasion of Egypt could have led to a war between East and West.

In defining a policy line which reflected all of these concerns and interests, the Canadian government often adopted stances which could only be viewed as congenial by the Egyptian government. The Canadian government did not hesitate to criticize the British and the French for their failure to observe their obligations under the UN charter to seek a peaceful settlement of their dispute with Egypt. The Canadian government viewed their invasion of Egypt as totally inadmissible, and in a now famous outburst in the House of Commons, St. Laurent caustically remarked that "the era when the supermen of Europe could govern the whole world has and is coming pretty close to an end."<sup>20</sup> But at the same time the Cana-

dian government was conscious of the need to keep open the channels of communication with London and Paris if it were to be able to serve as a useful intermediary between them and Washington, and if it wanted to play a role in helping to defuse the crisis in a manner that would allow the United Kingdom and France to save face. The government was also conscious of the fact that Canadian public opinion was deeply split on the question of the Anglo-French military action at Suez (and was to remain split through the general election campaign of 1957).<sup>21</sup> For these reasons, Canadian government spokesmen were often inclined to temper their criticism of the United Kingdom and France in ways that could only be judged as thoroughly uncongenial by Egypt. Thus in a speech to the House of Commons, Lester Pearson remarked: "I do not for one minute criticize the motives of the governments of the United Kingdom and France in intervening in Egypt at this time. I may have thought their intervention was not wise, but I do not criticize their purposes."<sup>22</sup> In short, Canadian policy was not particularly directed at righting a wrong done to Egypt, but was a policy which in Pearson's words "would bring us together again within the Western Alliance and which would bring about peace in the area on terms which everybody could accept."<sup>23</sup>

The effect of the somewhat mixed messages which Ottawa was sending to Cairo in its policy statements became evident in the controversy which came to surround Canada's principal initiative to help resolve the Suez crisis, the proposal to create and deploy a UN Emergency Force (UNEF) in the Middle East. Having made the proposal in an effort to find a solution acceptable to all of the parties to the conflict, the Canadian government considered that it had an obligation to contribute troops to the newly created UNEF once its proposal had been accepted. For President Nasser of Egypt, the deployment of UNEF offered a welcome solution to a political problem: securing the early withdrawal of British and French forces from Egypt, something which he could not achieve militarily. But the question of Canadian military participation in the force was another matter. Nasser considered that Canada was too closely identified and aligned with the United Kingdom to be viewed as an appropriate participant in a neutral UN force, one of whose purposes was precisely to secure the withdrawal of British troops from Egyptian soil. These sentiments were reinforced when it became known that the contingent Canada was proposing to send to Egypt was a battalion of

the Queen's Own Rifles, a unit which, in appearance at least, would be virtually indistinguishable from a British unit, given that both armies wore essentially the same uniforms. Nasser, therefore, refused to accept Canadian participation in UNEF, using as a pretext the strong resemblance between the two forces. He argued that it would expose Canadian troops to danger from an Egyptian populace still intensely angry at the United Kingdom. It took a delicate and difficult negotiation conducted by the UN to overcome Nasser's reservations, and to finally secure his acceptance of Canadian participation, but only on the condition that Canada would deploy logistics support troops rather than combat troops.<sup>24</sup> While some in Canada were inclined to view Nasser's position as understandable and perhaps justified, the more general reaction was one of hostility.<sup>25</sup> And in Parliament, the official opposition attacked the government, charging that "Canada has been humiliated by the actions of Colonel Nasser and has been made to submit to the requirements of Colonel Nasser."<sup>26</sup> While the government rejected these charges, they certainly were not likely to endear the Egyptian leader to Canadian ministers and senior officials.

In the aftermath of the Suez crisis, Canada maintained a UNEF contingent of between 800 and 1,100 troops on Egyptian-controlled territory for a period of 11 years. The presence of this contingent appears to have had little impact, positive or negative, on the bilateral relationship between Canada and Egypt. This is not surprising given that Canada's principal reason for sustaining this commitment had little to do with its relations with Egypt or with the merits of the issues at stake in the Arab-Israeli conflict. On the contrary, it had everything to do with Canada's broad international security policy and interests, and particularly the prevention of a global war. As the first Canadian commander of UNEF, General Burns, was to write some years later, the Suez crisis had illustrated "the special danger of hostilities in the Middle East developing into a confrontation between the superpowers ... which could detonate a third World War. It is fear of this world disaster which basically moves Canada and other secondary powers to contribute to the peacekeeping forces in the Middle East."<sup>27</sup> The Canadian contingent in UNEF was thus to remain a largely neutral factor in the insubstantial bilateral relationship between Canada and Egypt until the outbreak of the next major Middle East crisis in 1967.

### **The Arab-Israeli Wars of 1967 and 1973**

In the weeks preceding the Six Day War of June 1967, President Nasser mobilized his forces and deployed them into the Sinai Desert. At a certain point in this process, he called upon UN Secretary General U Thant to withdraw UNEF from its positions along the Egyptian-Israeli border. With only a minimum of consultation and discussion, U Thant acceded to Nasser's request and ordered the withdrawal of UNEF. These events were to precipitate yet another round of contention in relations between Canada and Egypt.

The Canadian government had maintained from the start that the deployment of UNEF required the consent of the government of Egypt (Israel refused to have it deployed on its side of the lines) and did not involve any infringement of Egyptian sovereignty. Lester Pearson had made these points in a statement to the UN General Assembly in November 1956, but had also gone on to say that "the control of this Force is in the hands of the United Nations and must remain there", and that "the Force is to remain in the area until its task is completed, and that would surely be for the determination of the United Nations."<sup>28</sup> There was thus a certain ambivalence in the Canadian position as to the respective rights of the UN and of Egypt regarding the maintenance of UNEF on Egyptian-controlled territory. There was no such ambivalence in the Egyptian position. As Nasser put it in 1967 "UNEF entered Egypt with our approval and therefore cannot continue to stay without our approval."<sup>29</sup>

In May 1967, both Prime Minister Pearson and his secretary of state for external affairs, Paul Martin, contended that Egypt did not have the right to demand the withdrawal of UNEF, and sought in vain to have U Thant refer the matter to either the UN Security Council or the UN General Assembly rather than accede to Nasser's request. Their actions and the Canadian position "deeply provoked" the Egyptian government.<sup>30</sup> And, as Tom Keating, a noted Canadian scholar, has remarked:

The Canadian position was further complicated by the government's involvement and tacit support for a British and American proposal to establish a maritime force to protect Israeli shipping through the Strait of Tiran and the Gulf of Aqaba. With Canadian vessels already in place (albeit for the purpose of removing Canadian peacekeeping forces) Nasser no longer viewed Canada as a disinterested party.<sup>31</sup>

This description of President Nasser's reaction to Canada at this time is perhaps somewhat understated. Paul Martin himself described Nasser as being "furious at our attempts to delay the force's withdrawal" and spoke of "an open clash with the Egyptians" over the issue.<sup>32</sup> This view of the depth of the divide between the two countries is certainly substantiated by contemporary Egyptian statements. On May 16, 1967 Nasser declared that "A big worldwide campaign, led by the United States, the United Kingdom and Canada, began opposing the withdrawal of UNEF from Egypt. Thus we felt that these were attempts to turn UNEF into a force serving neo-imperialism ... and an instrument for implementing imperialism's plans."<sup>33</sup> And at a meeting of the UN Security Council a few days later, the Egyptian Ambassador attacked Canada as an "American stooge."<sup>34</sup> When Nasser finally ordered the Canadian contingent of 800 troops to leave Egypt within 48 hours, because of Canada's "biased stand in favour of Israel," the anger evident in Egyptian statements and actions came to be reciprocated on the part of the Canadian government and public.<sup>35</sup> And thus another major crisis in Arab-Israeli affairs, with strong Cold War overtones, had precipitated yet another bout of political confrontation in relations between Canada and Egypt.

The same was to happen again at the time of the October 1973 Arab-Israeli war, albeit at a much lower level of intensity. The Canadian government's official reaction to the outbreak of hostilities was cautious and measured. In three statements to the House of Commons between October 6 and October 16, the secretary of state for external affairs, Mitchell Sharp, noted that hostilities had been initiated by Egypt and Syria, but he refrained from condemning these countries. Rather, he stressed that "what is important now is not who started the present fighting, but to get it stopped."<sup>36</sup> Egypt nevertheless reacted strongly to articles about the war which appeared in the Canadian press, and on October 15 issued "an angry statement condemning Canada's biased stand."<sup>37</sup>

That the Egyptian government still viewed Canada as being strongly pro-Israeli and "an extension of the United States"<sup>38</sup> became evident in the days following the end of the 1973 war. Once the warring parties had agreed to observe a ceasefire mandated by the UN Security Council, the Council began to give consideration to the possibility of creating a new peacekeeping force (UNEF II) to monitor the observance of the ceasefire and the disengagement of Egyptian and Israeli forces.

Without having been specifically invited to participate, the Canadian government informed the UN Secretary General of its willingness to contribute a contingent to UNEF II. The Egyptian government, however, was distinctly cool to the idea of Canadian participation, and it took a personal phone call from the UN Secretary General to President Anwar Sadat to finally overcome Egyptian reservations. Even then, Egypt accepted Canadian participation “only on condition that Poland also be included, clearly implying that Canada was pro-Israeli and had to be balanced by a more pro-Arab Warsaw Pact government.”<sup>39</sup> The Canadian government, however, chose to downplay the difficulties which it had experienced with Egypt regarding Canadian involvement in UNEF II. In a long statement to the House of Commons explaining the rationale for, and the nature of, Canada’s contribution to UNEF II, Mitchell Sharp made no mention whatsoever of Egyptian reservations; he referred only to UN Security Council decisions to seek representation from various geographical and political groupings in the force, and to have the logistics function shared between Canada and Poland.<sup>40</sup> In so doing, Sharp may well have wanted to avoid generating the kind of domestic political controversy that had erupted in 1956 and 1967 regarding Canadian involvement in Middle East peacekeeping operations.

Thus, while political contacts between Canada and Egypt had been infrequent during the first two decades following the establishment of diplomatic relations, when they did occur they were largely characterized by animosity in the midst of Arab-Israeli and Cold War crises in which the two countries more often than not found themselves on opposite sides of the fence. During this period little headway had been made in developing economic relations - bilateral trade was still negligible in value and Canada had no aid programs or investments in Egypt. But this situation was about to change.

### **A Sea Change**

The nature and content of the Canada-Egypt relationship were to be radically transformed as a result of a series of developments which occurred in the 1970s, whether in Egypt, in Canada, in the Middle East or in the world at large.

Four general phenomena of the 1970s had a more or less direct bearing on the bilateral relationship. First was the ushering in of a period of détente in East-West relations, characterized by the launch of the CSCE and the MBFR negotiations, and the conclusion of the Helsinki accords in 1975. Second was the progressive withdrawal of the UN from any significant role in peacemaking in the Middle East and its replacement by the United States; mediation efforts between Israel and its Arab neighbours were no longer conducted by special representatives of the UN Secretary General, but by senior American officials such as William Rogers, Joseph Sisco, Henry Kissinger, and President Jimmy Carter. Third, the Arab oil boycott instituted shortly after the 1973 Arab-Israeli war served as a wake-up call to Western industrialized countries regarding their dependence on Middle Eastern oil supplies. Fourth, the boycott was accompanied by a dramatic rise in the price of crude oil, which greatly increased the revenues of the Arab oil-producing countries; these revenues, the so-called “petro-dollars”, created vast new markets in the Middle East for Western goods and services, not only in the oil-rich countries, but also in poorer ones to which some of the new wealth was directed in the form of subsidies. All four of these phenomena had an impact on the nature of the relationships which Western countries, including Canada, maintained with the Arab countries of the Middle East.

The 1970s also saw a radical realignment of Egyptian foreign policy. Anwar Sadat, who had succeeded Nasser as president in September 1970, used his power to “guide Egypt in a direction that was in many ways a complete turnabout from Nasser.”<sup>41</sup> He moved Egypt away from pan-Arabism in the direction of Egyptian nationalism, and in so doing reflected the feeling of ordinary Egyptians that “they had sacrificed enough for the Arab and Palestinian causes.”<sup>42</sup> At the regional level, Egypt changed its alliances and forged closer relations with pro-Western, moderate oil producing countries, especially Saudi Arabia. At the global level, Egypt progressively distanced itself more and more from the Soviet bloc and drew ever closer to the United States. By the end of the decade, Egypt had concluded a peace agreement with Israel that had been brokered by the United States, and had in the process isolated itself from most of the other Arab states.<sup>43</sup> These major shifts in foreign policy were complemented by changes in economic policy. Abandoning

Nasser's socialist principles in economic management, Sadat opened up Egypt's trading system, and welcomed not only Western goods and services, but also Western investment, into the country.<sup>44</sup>

Finally, there were also significant changes in Canadian policy in the 1970s. At the global level was the Canadian government's decision in 1972 to diversify Canada's export markets, as part of the so-called "Third Option" policy to reduce Canada's economic dependence on the United States. While chiefly manifested in efforts to enhance economic relations with the European Community and Japan, this policy also saw Canada increase its market development activities in many other regions of the world. With more specific reference to the Middle East, the Arab oil boycott of 1973 and the subsequent rise in the price of oil led Canada to pay greater attention to the region as a source of the imported oil on which it was becoming increasingly dependent, and as an emerging market for Canadian exports.<sup>45</sup> The growth of Canada's economic interests in the region led to increased activity and influence on the part of the Canadian business community (banks, manufacturers, engineering firms, exporters federations, etc.) in shaping government policy so as to preserve and further those interests.<sup>46</sup> Thus, from the mid-1970s onwards the Canadian government's approach to the Arab-Israeli conflict progressively displayed greater understanding and sympathy for the positions of the Arab states, especially for the rights of the Palestinian people, including their right to a homeland.<sup>47</sup> This, in turn, facilitated the Canadian government's task in pursuit of a newly stated policy: "to develop its bilateral relations with all countries of the region outside the context of the Arab-Israeli dispute ... an important step forward in Canada's recognition of the Middle East as a growing political and economic force in the world."<sup>48</sup>

### **The Bilateral Thrust**

In the case of Egypt, the new thrust in Canadian policy became evident during the visit to Cairo of the secretary of state for external affairs, Allan MacEachan, in January 1976. Whereas his predecessor, Mitchell Sharp, had last visited Egypt in 1969 with the almost sole purpose of discussing the Arab-Israeli conflict,<sup>49</sup> MacEachan made it clear that



his principal purpose was to give a “fresh impetus” to the bilateral relationship. In a statement made in Cairo, MacEachan noted that “our two governments are attempting to diversify their foreign relations and to establish close and beneficial contacts with countries lying beyond their traditional geo-political environment.”<sup>50</sup> After remarking that Canadians had for far too many years viewed Egypt in relation to the Arab-Israeli conflict, he expressed his determination to pursue closer relations in the fields of politics, trade, investment, development cooperation, and technology transfers. He pointed out in particular that the resumption of traffic in the Suez Canal, Egypt’s recovery of the Sinai oil fields, and the extensive assistance it was receiving from the Arab states, were all factors that should encourage Canadian industries to take an interest in Egypt; the decision of two of Canada’s major banks to open offices in Cairo was particularly welcome in this regard, since it would help to foster more Canadian commercial and investment activities in Egypt.<sup>51</sup> Finally, MacEachan indicated that, for the first time, the Canadian government was giving active consideration to mounting a bilateral technical and financial assistance program for Egypt, and invited the Egyptian government to send an economic mission to Canada to explore the opportunities for development cooperation. As evidence of the Canadian government’s commitment to this dimension of a new bilateral relationship, he announced a Canadian contribution of \$1 million to a UN program for the reconstruction of the war-ravaged Egyptian towns along the Suez Canal.<sup>52</sup>

In a major speech to the Canadian-Arab Federation several months after his tour of the Middle East, Allan MacEachan further fleshed out the Canadian government’s policy of strengthening Canada’s bilateral relations with the Arab countries of the region, with specific reference to Egypt, Saudi Arabia, and Iraq. Speaking of Egypt’s key position in the Arab world and in the Middle East by virtue of its geographical location and the size of its population, he reaffirmed the Canadian government’s determination to enhance the economic relationship between the two countries.<sup>53</sup> The first results of the new policy appeared fairly rapidly. In 1976-77 CIDA launched a program of economic and technical assistance for Egypt, with an initial financial commitment of nearly \$10 million.<sup>54</sup> By 1979-80, the annual value of the program had risen to over \$27 million, and CIDA had designated Egypt as a “country of con-

centration” for Canadian aid disbursements.<sup>55</sup> CIDA concentrated its efforts in capital investment and training in the energy, agriculture and transportation sectors; by 1985-86 it had 14 different projects underway in Egypt, having already completed large rural electrification, drainage, and irrigation projects in the Nile Delta.<sup>56</sup> By 1994, the cumulative total of Canadian aid disbursements to Egypt nearly reached the \$400 million mark, making Egypt one of the major recipients of Canadian aid in the Africa-Middle East region.

In the late 1970s Canadian corporations began to show much greater interest in the Egyptian market, as the Egyptian government’s program of economic liberalization started to show results. The annual value of Canadian exports rose from \$6.5 million in 1975 to \$128 million in 1980 and to \$191 million in 1985; Egyptian exports to Canada rose from less than \$1 million in 1975 to over \$30 million in 1985. In pursuing new opportunities in the Egyptian market, Canadian companies were greatly assisted by the decision of the Canadian government’s EDC to once again offer credits for exports to Egypt. EDC re-entered the Egyptian market in 1980, after an absence of nearly 20 years, with a loan of \$13.6 million for the sale of diesel locomotives to the Egyptian national railways organization.<sup>57</sup> By 1985, EDC had signed loan agreements worth \$393 million for the export of Canadian equipment to Egypt, including harvesters, water pumps, aircraft, and aircraft engines.<sup>58</sup> The Canadian government also took the lead in launching a long-term process aimed at exporting Canadian nuclear energy technology to Egypt. In May 1982, the two governments signed a bilateral agreement relating “to the use, development and application of nuclear energy for peaceful purposes”; the agreement covered the supply of information, technology, nuclear materials, equipment, and training.<sup>59</sup> Shortly after the conclusion of this agreement, the crown corporation Atomic Energy Canada Limited (AECL) embarked on a long and arduous marketing effort to sell a CANDU nuclear reactor to Egypt, an effort that resulted in some minor contracts, but not in the sale of an actual reactor.<sup>60</sup>

If the foundations of an aid and trade relationship had been well established by the early 1980s, the remaining years of the decade were to see a certain broadening of the relationship. Contacts at the political level and exchanges of ministerial visits became more frequent,<sup>61</sup> and Allan MacEachen, who had once again become secretary of state for

external affairs, was prompted to give a detailed and highly upbeat assessment of the relationship to the Senate Foreign Affairs Committee.<sup>62</sup> In 1984 the two governments concluded a bilateral convention for the avoidance of double taxation and the prevention of fiscal evasion, in order to facilitate the strengthening of economic ties.<sup>63</sup> Three years later, there was the signature of a bilateral civil air agreement, including the exchange of landing rights in Montreal and Cairo, in order to enhance the level of tourism between the two countries.<sup>64</sup> These governmental initiatives were supplemented by the work of the Export Development Corporation in supporting the often successful efforts of Canadian companies to broaden their penetration of the Egyptian market to include sectors such as electricity and communications.<sup>65</sup>

At the same time there was a rapprochement between the governments of Canada and Egypt on regional security issues in the Middle East. In 1985, Egypt (and Israel) took the initiative to invite Canada to participate in the Multinational Force and Observers in the Sinai which had been created as an offshoot of the Egypt-Israel peace treaty.<sup>66</sup> This was a far cry from Canada's participation in the UN forces of 1956 and 1973 which had been imposed on a reluctant Egypt. Then as Egypt re-emerged from a period of isolation in the Arab world and became once again "clearly one of the leading international actors in the region,"<sup>67</sup> the Canadian government recognized the importance of Egypt as a partner in fostering a new Arab-Israeli peace process. In 1989 the secretary of state for external affairs, Joe Clark, paid a warm public tribute to Egypt's role in persuading the Palestine Liberation Organization to adopt more moderate positions and in facilitating arrangements for an Israeli-Palestinian dialogue.<sup>68</sup>

The Canadian and Egyptian governments were drawn even more closely together in response to the Iraqi invasion of Kuwait and the ensuing Gulf crisis and war of 1990-91. Not only were they allies in the military coalition to expel Iraq from Kuwait led by the United States, they also saw merit in consulting bilaterally on the evolution of the crisis. Noting that Egypt was "an important front line state in the crisis," Joe Clark visited Cairo in November 1990 for "consultations with Foreign Minister Abdel Meguid, a good friend of Canada."<sup>69</sup> Meguid in turn visited Ottawa in January 1991 for further consultations on the Gulf crisis with Clark and with Prime Minister Mulroney, a visit saluted

by the Canadian government as “an expression of the excellent relationship which exists between Canada and Egypt.”<sup>70</sup> Later, in recognition of Egypt’s leading role in the resolution of the Gulf crisis, and of the financial losses it had suffered as a result of the war, the Canadian government provided Egypt with a subsidy of \$26 million, and \$13 million in debt relief.<sup>71</sup>

### **The Contemporary Relationship**

In 1993 the CIDA conducted an extensive review of Canada’s development assistance program in Egypt, in order to take account of new CIDA policy directions and of the Egyptian government’s program of economic reform and structural adjustment. The review reconfirmed Egypt’s status as a priority recipient of Canadian aid by virtue of its economic and social needs, its role as an influential force for regional and international peace and security, and its potential as a market for Canadian exports and investments. But after extensive consultations with the Egyptian government, and with the latter’s full agreement, CIDA decided that its program should be reoriented into new areas of activity. Whereas in the 1980s CIDA had concentrated on infrastructure development in the agricultural and energy sectors, it would henceforth concentrate on providing support to economic and social reform in order to facilitate Egypt’s transition to a market economy, and on promoting environmental protection and the sustainable management of natural resources, especially soil and water. By the end of 1996, CIDA was supporting some 20 projects in these two broad areas, many of which involved the education and training of young Egyptians, and several of which were being implemented in close cooperation with Egyptian nongovernmental organizations.<sup>72</sup>

In the mid-1990s, the commercial relationship between Canada and Egypt became more diversified. The range of products exported by Canadian firms came to include not only commodities such as wheat, butter, coal, newsprint and chemicals, but also manufactured goods such as microwave telecommunications systems, water treatment units, electrical equipment, and boilers for power generation. Canadian consulting and engineering firms were active in supplying Egypt with oil

and gas drilling services, and safety and environmental training. Yet other Canadian companies made investments or entered into joint venture agreements with Egyptian partners in the production of computer software, in poultry processing, in property management, and in waste recycling.<sup>73</sup> This growing interest in the Egyptian market on the part of Canadian corporations was reflected in the fact that Foreign Minister Lloyd Axworthy was accompanied by representatives of 30 Canadian companies when he attended the third Middle East and North Africa economic summit conference held in Cairo in November 1996, and that he seized the occasion to sign a Canada-Egypt Investment Protection Agreement.<sup>74</sup>

There certainly appears to be considerable potential for further growth in Canada's economic relations with Egypt, but the realization of that potential seems likely to be slow and steady rather than rapid and spectacular. Canada, like all Western countries doing business in Egypt, is confronted with two fairly fundamental realities which are obstacles to speedy economic development. The first is that, despite the government's ambitious economic reforms, Egypt is still lumbered with a large and inefficient bureaucracy and an excess of economic regulation inherited from its socialist past. The second is the continued prevalence of widespread poverty, illiteracy, and unemployment which have inhibited the creation of a broad middle class of consumers and entrepreneurs. While these phenomena may tend to slow the pace of Egypt's economic development, they have not prevented Egypt from registering highly respectable levels of GDP growth in recent years, ranging from 5 to 6.5 per cent.<sup>75</sup> This continues to hold promise for the future.<sup>76</sup>

The Egyptian government, for its part, now appears to hold a highly positive view of Canada, and to attach real value to the bilateral relationship. Egypt respects the role played by Canada in international affairs, as exemplified by its participation in international peacekeeping and its leadership of the Refugee Working Group in the multilateral peace process in the Middle East. Egypt not only attaches importance to Canada's membership in the G-7 group of leading industrialized countries, but also sees Canada as one of a very few developed countries which has bothered to try to understand the problems of countries in the Global South and to respond to them with compassion. Egyptian government officials seem to derive considerable satisfaction from what

they describe as the “take-off” which has occurred in the bilateral relationship in the 1990s. Whether in the realms of politics or economics, they see it as having taken on far more substance than ever before, and as being of increasing importance to Egypt.<sup>77</sup>

## **Conclusion**

From very unpromising beginnings, the bilateral relationship between Canada and Egypt has evolved into a partnership from which both derive evident advantage. For Canada, Egypt represents a modest but not insignificant market for Canadian exports and investments, and one that has growth potential. Of equal, if not greater, importance for Canada is the fact that a solidly based and very friendly relationship with one of the largest and most influential countries in the Middle East is an enormous asset in Canada’s endeavours to protect and promote its economic and security interests in the region as a whole.

## **Notes**

1. Roy MacLaren, *Canadians on the Nile 1882-1898* (Vancouver: University of British Columbia Press, 1978), pp. 54-71.
2. Department of External Affairs (DEA), *Canadian Representatives Abroad* (Ottawa, 1945) p. 8.
3. DEA, *Report of the Department of External Affairs 1954* (Ottawa, 1955), pp. 16-17.
4. John Hilliker and Donald Barry, *Canada’s Department of External Affairs, Vol. II* (Montreal: McGill-Queen’s University Press, 1995), p. 95.
5. R. Andersen, R. Seibert and J. Wagner, *Politics and Change in the Middle East: Sources of Conflict and Accommodation* (Englewood Cliffs, NJ: Prentice-Hall, 1993), p. 286.
6. See Peyton-Lyon, “Canada’s National Interest and the Middle East” and Alan Bones, “Zionist interest groups and Canadian foreign policy,” in *Canada and the Arab World*, ed. Tareq Ismael (Edmonton: University of Alberta Press, 1985), pp. 32-35 and pp. 151-71.
7. Donald Masters, *Canada in World Affairs 1953-1955* (Toronto: Oxford University Press, 1959), p. 176.

8. John Holmes, *The Shaping of Peace: Canada and the Search for World Order*, Vol. II (Toronto: University of Toronto Press, 1982), p. 352.
9. Geoffrey Pearson, *Seize the Day: Lester B. Pearson and Crisis Diplomacy* (Ottawa: Carleton University Press, 1993), p. 138.
10. DEA, *Statements and Speeches*, No. 56/35 (Ottawa, 1956), p. 3.
11. This episode is discussed at some length in Masters, *Canada in World Affairs 1953-1955*, pp. 178-179 and in James Eayrs, *Canada in World Affairs 1955-1957* (Toronto: Oxford University Press, 1959), pp. 246-52. The fullest account and defence of government policy was given in the House of Commons by Lester Pearson on 24 January 1956; see DEA, *Statements and Speeches*, No. 56/1 (Ottawa, 1956).
12. See Eayrs, *Canada in World Affairs 1955-1957*, pp. 252-56. One Canadian scholar has gone so far as to suggest that the Canadian government actually sympathized with the actions of Egypt as an expression of "the rights of Egypt, a small newly independent country, to run its own economy," but there is little, if any, evidence to support this view. See Charles Hanly, "The Ethics of Independence," in *An Independent Foreign Policy for Canada?*, ed. Stephen Clarkson (Toronto: McClelland & Stewart, 1968), pp. 18-19.
13. Quoted in Eayrs, *Canada in World Affairs 1955-1957*, p. 254. John Holmes, who was a senior DEA official at the time, comments in much the same vein that "few Canadian ships went through the canal and there was no Canadian financial involvement in the company." See Holmes, *The Shaping of Peace*, Vol. II, p. 354.
14. DEA, *Statements and Speeches*, No. 56/18 (Ottawa, 1956), p. 2.
15. DEA, *Statements and Speeches*, No. 56/24 (Ottawa, 1956), p. 1.
16. These preoccupations and policy rationales are well summarized in Tom Keating, *Canada and World Order* (Toronto: McClelland & Stewart, 1993), p. 104.
17. DEA, *Statements and Speeches*, No. 56/26 (Ottawa, 1956), p. 4.
18. Keating, *Canada and World Order*, p. 104.
19. DEA, *Statements and Speeches*, No. 56/26 (Ottawa, 1956), p. 2.
20. *Ibid.*, p. 6.
21. See Eayrs, *Canada in World Affairs 1955-1957*, pp. 185-93.
22. Quoted in *Ibid.*, p. 185. Eayrs follows this quotation with the comment: "Not all his countrymen were disposed to be as charitable."
23. Quoted in *Ibid.*, p. 256.
24. For a good account of this episode, see *Ibid.*, pp. 267-71.
25. See Holmes, *The Shaping of Peace*, Vol. II, pp. 365-66.
26. DEA, *Statements and Speeches*, No. 56/36 (Ottawa, 1956), p. 6.
27. E.L.M. Burns, "Canada's peacekeeping role in the Middle East," in *Canada and the Arab World*, ed. Ismael, p. 39.

28. DEA, Statements and Speeches, No. 56/33 (Ottawa, 1956), p. 3.
29. Quoted in Tareq Ismael, *Canada and the Middle East: The Foreign Policy of a Client State* (Calgary: Detselig Enterprises, 1994), p. 21.
30. Keating, *Canada and World Order*, p. 111.
31. *Ibid.*
32. Paul Martin, *A Very Public Life*, Vol. II (Toronto: Deneau Publishers, 1985), pp. 564 and 571.
33. Quoted in Ismael, *Canada and the Middle East*, p. 21. The author, who was then a political officer at the Canadian Embassy in Cairo, can well recall mass meetings held in Tahrir Square in May 1967 at which speakers regularly denounced Canada as a tool of imperialism. One of the main government-controlled newspapers published a cartoon showing a dog with a head in the form of Lyndon Johnson, President of the United States, and a tail at the end of which was the face of Lester Pearson.
34. Martin, *A Very Public Life*, Vol. II, p. 566.
35. Ismael, *Canada and the Middle East*, p. 21.
36. DEA, Statements (unnumbered), (Ottawa, 1973).
37. Ismael, *Canada and the Middle East*, p. 25.
38. *Ibid.*, p. 27.
39. Ray Licklider, *Political Power and the Arab Oil Weapon* (Berkeley: University of California Press, 1988), p. 112.
40. DEA, Statements, No. 73/23 (Ottawa, 1973), p. 5.
41. Joseph Lorenz, *Egypt and the Arabs: Foreign Policy and the Search for National Identity* (Boulder, CO: Westview Press, 1990), p. 37.
42. *Ibid.*, p. 86.
43. Ali Dessouki, "The Primacy of Economics: The Foreign Policy of Egypt," in *The Foreign Policies of Arab States*, eds. B. Korany and A. Dessouki (Boulder, CO: Westview Press, 1991), p. 156.
44. *Ibid.*, pp. 156-85.
45. See L.A. Delvoie, "Growth in Economic Relations of Canada and the Arab World," *International Perspectives* (November/December 1976):29-30. See also DEA, *Annual Review 1975* (Ottawa, 1976), p. 9.
46. See Janice Stein, "Canadian Policy in the Middle East," in *From Mackenzie King to Pierre Trudeau: Forty Years of Canadian Diplomacy*, ed. Paul Painchaud (Quebec: Presses de l'Université Laval, 1989), pp. 392-97.
47. Licklider, *Political Power and the Arab Oil Weapon*, pp. 113-22 and 143.
48. DEA, *Annual Review 1976* (Ottawa, 1977), p. 7.
49. DEA, Statements and Speeches, No. 69/20 (Ottawa, 1969), p. 1.



50. DEA, Statements, No. 76/1 (Ottawa, 1976), p. 2.
51. *Ibid.*, p. 3.
52. *Ibid.*, p. 4.
53. DEA, Statements, No. 76/15 (Ottawa, 1976), p. 4.
54. Canadian International Development Agency (CIDA), Annual Review 1976-77 (Ottawa, 1977), p. 46.
55. CIDA, Annual Report 1979-80 (Ottawa, 1980), pp. 13-14.
56. CIDA, Annual Report 1985-86 (Ottawa, 1986), p. 16.
57. Export Development Corporation (EDC), Annual Report 1980 (Ottawa, 1981), p. 50.
58. ECC, Annual Report 1984 (Ottawa, 1985), pp. 40 and 48.
59. Government of Canada, Canada Treaty Series 1982, No. 6 (Ottawa: Queen's Printer, 1991), pp. 2-4. One Canadian expert on Middle Eastern affairs described the government's decision to conclude this agreement with Egypt as "a major change of policy." See Stein, "Canadian Policy in the Middle East," p. 393. At the very least, it did reflect a new level of trust in the relationship, given the stringency of Canadian policy on the export of nuclear materials and equipment.
60. Atomic Energy of Canada Limited (AECL) Annual Report 1982-83 (Ottawa, 1983), p. 8; Annual Report 1988-89 (Ottawa, 1989), p. 12; and Annual Report 1995-96 (Ottawa, 1996), p. 7.
61. See, for example, DEA, Communiqués No. 158/82 (Ottawa, 1982), No. 134/83 (Ottawa, 1983), No. 134/84 (Ottawa, 1984) and No. 64/86 (Ottawa, 1986).
62. DEA, Statements and Speeches, No. 83/2 (Ottawa, 1982), p. 2.
63. DEA, Communiqués, No. 134/84 (Ottawa, 1984).
64. DEA, Communiqués, No. 65/87 (Ottawa, 1987).
65. See, for example, DEA, Communiqués No. 29/90 (Ottawa, 1990) which announced the granting of an EDC credit of \$22.4 million for the sale of underground cables to Egypt.
66. Ismael, *Canada and the Middle East*, p. 32.
67. Andersen, Seibert and Wagner, *Politics and Change in the Middle East*, p. 292.
68. See DEA, Communiqués, No. 301/89 (Ottawa, 1989), p. 1.
69. DEA, Communiqués, No. 268/90 (Ottawa, 1990), p. 1.
70. DEA, Communiqués, No. 25/91 (Ottawa, 1991), p. 1.
71. DEA, Annual Report 1990-91 (Ottawa, 1992), p. 45.
72. Canadian Embassy, Cairo, *Canada-Egypt Development Cooperation Programme* (December 1996), pp. 1-5.
73. Canadian Embassy, Cairo, *Canadian Success Stories in Egypt* (February 1997), pp.

- 1-6.
74. Department of Foreign Affairs and International Trade (DFAIT), News Release No. 203/96 (Ottawa, 1996), p. 1.
75. See “Looking to join the caravan,” in *The Economist*, 7 June 1997, pp. 75-76.
76. J.A. Clark, “The Paradox of Islamic Activism and Economic Reform in Egypt” in *Canadian Foreign Policy* 4,2 (1996):49.
77. The views expressed in this paragraph were communicated to the author by senior officials of the Egyptian Foreign Ministry in Cairo on 26 March 1997, on the understanding that their identities would be protected. One of these officials went as far as to describe Canada as Egypt’s third most important foreign partner after the United States and the European Union.

## *A STEADY STATE RELATIONSHIP*

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### **ITALY: 1927–2000**

Although clearly fostered by governmental policies and initiatives, the relationship which exists between Canada and Italy is in the first instance the product of a shared Western civilization. Whether in the fields of art or literature, philosophy or religion, science or political thought, the two countries are heirs to a common cultural tradition. This in itself is sufficient to create certain natural affinities and to make the relationship a somehow “obvious” one. It also accounts in part for Canada’s attraction as a destination for Italian emigrants, giving the relationship a strong social basis, and for the identification of common political, economic and security interests, giving the relationship broad institutional foundations (NATO, OECD, OSCE etc.).

The relationship with Italy is one to which the Canadian government has paid a “normal” amount of attention given the level of the interests at stake. Diplomatic contacts have been continuous and substantive, as would be expected with a country which is a NATO ally, a G-7 partner and a leading member of the European Union. A long series of bilateral agreements have been negotiated with Italian governments in response to evolving circumstances and interests. Italy has not, however, been accorded a particularly high level of priority in the formulation of Canadian government policies and programmes and has rarely been the target of any unique or high profile initiatives. Although substantial,

and likely to continue its steady growth, the relationship does not seem destined to know any spectacular developments or breakthroughs in the near future.

### **The Foundations**

The existence of a shared civilization and of a common cultural heritage are not in and of themselves guarantors of close or friendly relationship between nation states – a point eloquently demonstrated by two World Wars in the twentieth century. However, in the absence of any major clashes of interests or policies, they do constitute an important basis for understanding between states, for mutual appreciation and for the development of solid bilateral relationships. This is all the more true when, as in the case of Canada and Italy, they are buttressed by social ties and contacts resulting from immigration and the presence of significant Italian communities in Canada.

While the existence of a shared “civilizational space” may not always be a leading consideration in the process of foreign policy development, it does constitute a sub-text which occasionally finds overt expression. Thus as early as 1927, Prime Minister Mackenzie King wrote in a public message that Italians “have always stood at the forefront in all spheres of human activity, in that of the intellect, of the imagination, of science and of art. The names of Galileo, Dante, Michelangelo, to mention only a few, prove that assertion.”<sup>1</sup> And it is an enduring theme. Seventy years later, Canada’s Minister of International Trade, Sergio Marchi, would declare: “As member of the world community, we also acknowledge the remarkable cultural legacy that is Italy...we stand as inheritors of the genius of Michelangelo, da Vinci, Dante, Rossini and Caruso. We are grateful recipients of the brilliant culture, rich history and incomparable beauty of Italy.”<sup>2</sup>

A closely allied phenomenon which has also served as one of the underpinnings of the Canada-Italy relationship is the concept of “Atlanticism” in Canadian foreign policy. Professor Kim Nossal explains the phenomenon in these terms:

The Atlantic idea, if not Atlanticism per se, had always played a role in both the theory and the practice of Canada’s external policy. The idea

of Canada as a European nation...had been deeply rooted in Canadian self-perception and political practice from the country's initial settlement and the defining decision of the 1770s not to follow the United States into independence. The vast majority of those living in the northern half of North America had always felt the trans-Atlantic ties of birth, family, national origin, politico-cultural inspiration, commercial intercourse, and even, it has been argued, psychological dependence."<sup>3</sup>

Professor Nossal goes on to argue that Atlanticism has been a declining force in Canadian thinking and policy in recent decades. While this is undoubtedly true, other scholars, quoting polling data, have noted recently that while "new regions might have risen in importance in the eyes of the public during the last 15 years, it is hard to conclude that Europe has sharply declined as a priority of Canadian foreign policy."<sup>4</sup>

Yet another enduring feature of Canadian foreign policy has also served to underpin the Canada-Italy relationship. Over several decades, successive Canadian governments have sought to find "counter-weights" to the dominant presence of the United States in Canada's international relations. Most often these efforts have pointed in the direction of Western Europe, because of the strong historical and cultural linkages and because of perceived mutual interests. The case was very clearly and succinctly put in the early 1970s by Mitchell Sharp, who was then Secretary of State for External Affairs: "The maintenance of an adequate measure of economic and political independence in the face of American power and influence is a problem we share with the nations of Western Europe. In dealing with this problem, there is at once a community of interest and an opportunity to work together. Canada seeks...to create a healthy balance of relations within the North Atlantic community."<sup>5</sup> This particular thrust in Canadian foreign policy found expression not only in Canada's relations with NATO and the European Community, but also in the development of its bilateral relations with the major countries of Western Europe, including Italy.

### **Immigration, Community and Culture**

One of the mainstays of the bilateral relationship between Canada and Italy has been Italian immigration, and the existence of a large Italian

community concentrated in Canada's major cities. In the history of Canada, Italian immigration is certainly not a new or recent phenomenon; it is in fact almost as old as Confederation. Between 1876 and 1904, some 26,000 Italians migrated to Canada; the number was to increase to more than 170,000 between 1905 and 1940. The great surge in Italian immigration occurred, however, in the twenty-five years following the end of the Second World War; between 1946 and 1970, some 390,000 Italians moved to Canada, making Italy Canada's second largest source of immigrants after the United Kingdom during the period.<sup>6</sup>

The end of the war, in fact, saw a strong mutuality of interests emerge between Canada and Italy on the question of immigration. On the one hand, war-torn Italy's depressed economy was recovering only slowly and unemployment rates were very high; the Italian government sought to remedy the situation by encouraging both temporary and permanent emigration. On the other hand, Canada was suffering from labour shortages in agriculture, mining and the railways, and the Canadian government was being pressed by employers in these sectors to become more active in the recruitment of immigrants. The result was a period of close cooperation between agencies of the two governments in promoting and facilitating Italian immigration to Canada.<sup>7</sup>

The surge of Italian immigration which occurred after the war was not a uniformly positive phenomenon for either the immigrants themselves or for Canadian society. When it came to welcoming immigrants, many Canadians made no secret of their preference for Anglo-Saxons and other Northern Europeans, who were regarded as more likely than Southern Europeans to adapt well to Canada's climate and to fit into Canada's democratic society. Like many other immigrants from Continental Europe and Asia, Italians were often viewed with suspicion and resentment by native-born Canadians and suffered from various forms of discrimination.<sup>8</sup> The prejudices encountered by Italians in Canada may well have been reinforced by the fact that immigrants from Sicily and Calabria in the 1940s and 1950s brought with them organized crime from their country of origin. Many of the so-called Mafia families which settled in Montreal, Toronto, Hamilton and Vancouver became active in gambling, prostitution, loan sharking, narcotics trafficking and extortion; some of the families maintained close ties with counterparts in Italy and the United States, thus adding an international dimension to

the growth and development of organized crime in Canada.<sup>9</sup>

As economic conditions in Italy improved, there was a notable and progressive decline in the number of Italian immigrants making their way to Canada. Whereas in the 1950s the yearly average was 22,933, it declined to 14,484 in the 1960s and to 3,714 in the 1970s. Italian immigration slowed still further in the 1980s and the annual average for the decade 1985-1994 fell to 785. By the early 1980s, however, the Italians had already become the fourth largest ethnic group of immigrants in Canada, after the British, French and Germans, and constituted sizeable communities in Toronto (over 320,000) and Montreal (over 170,000).<sup>10</sup>

The size of the Italian community in Canada, and the movement of people which it engendered between the two countries, is reflected in a number of actions taken by the Canadian government. Thus, during a visit to Canada in November 1977 by Prime Minister Giulio Andreotti, the Canadian government entered into a bilateral social security agreement with Italy, and concluded another agreement for the avoidance of double taxation and the prevention of fiscal evasion.<sup>11</sup> A few years later, in the course of a visit to Rome by the Secretary of State for External Affairs, the Canadian government concluded a bilateral extradition treaty with the Italian government.<sup>12</sup> The Canadian government was also quick to respond to the concerns of the Italian-Canadian community when natural disasters struck Italy; it dispatched a contingent of troops from the Canadian Forces Base in Lahr, West Germany to assist in rescue operations when earthquakes devastated the province of Friuli in north eastern Italy in 1976; and when earthquakes occurred again in 1980, this time in southern Italy, the government made a financial contribution of \$1.8 million to the rescue effort and sent a Canadian Forces aircraft to airlift emergency supplies into the affected region.<sup>13</sup>

In 1997 the Canadian government made a point of saluting the Italian community's contribution to the building of Canada in the course of celebrations organized to mark the 500<sup>th</sup> anniversary of Giovanni Caboto's landing in Newfoundland. The government used the occasion to invite Italian President Oscar Luigi Scalfaro to visit Canada and was fulsome in its praise of those Italians who had "emigrated to Canada and helped to build a strong, prosperous and free country. They saw in this new country a land of hope and opportunity. They have contributed to the national fabric and have excelled in all fields." As a result, Cana-

da and Italy were not only old friends, but were also “family”.<sup>14</sup>

The social links which existed between the two countries also made Italy fertile terrain for the Canadian government’s programme of international cultural relations. Already evident in embryonic form in an exchange of notes on cultural cooperation concluded in 1954, Canadian cultural diplomacy in Italy achieved a certain prominence with the signature of a joint film production agreement in 1970, and with the creation of a bilateral commission to monitor the implementation of the agreement.<sup>15</sup> It was not until 1984, however, that the two governments concluded a comprehensive cultural cooperation agreement. The aims of this agreement included: the fostering of academic exchanges involving research and teaching, the promotion of artistic exchanges in the fields of literature, music and the performing arts, enhanced mutual participation in festivals and exhibitions and, finally, encouragement and support for the activities of Canadian cultural centres in Italy and of the Italian cultural institutes in Montreal, Toronto and Vancouver.<sup>16</sup> One of the most notable developments since the signature of the agreement has been the spread of Canadian studies programmes in Italian universities; the Italian association for Canadian studies is now one of the largest and most active in Western Europe, by virtue of the number of Italian scholars involved, and has become a distinct asset for the Canadian government in the pursuit of its foreign policy objectives in Italy. It has also served to reinforce existing links between the academic communities of the two countries.

### **International Security**

In the realms of international peace and security, relations between Canada and Italy got off to a distinctly rocky start. The Italian invasion and occupation of Ethiopia in 1935 and the ensuing debates in the League of Nations on the imposition of economic sanctions against Italy gave rise to profound divisions of opinion in Canada, as between English-speaking and French-speaking Canadians, and to some acrimonious debates in the House of Commons in 1936.<sup>17</sup> From 1939 to 1945, the two countries were at war, and some of the most notable achievements of the Canadian army in the Second World War occurred in Italy,



albeit against German rather than Italian forces.

In the late 1940s Canada became one of the leading proponents of the creation of a western alliance to contain and confront the military and political threat posed by the Soviet Union to the countries of Western Europe. In the discussions leading up to establishment of what was to become NATO, “problems arose over the definition of the countries to be included and the area to be covered. Canada was less than enthusiastic about Italy because, as a Mediterranean country, it would set a bad geographical precedent.”<sup>18</sup> Canadian reservations were subsequently spelled out in greater detail by Escott Reid, one of the principal architects of Canadian policy toward NATO:

The main argument against the inclusion of Italy was that Italy was not a North Atlantic country and if it became a member, it would be difficult to keep Greece and Turkey out; their admission would weaken the alliance by making it less homogeneous; commitments under the treaty would become extended and diffuse; and it would be more difficult to use the alliance as a chrysalis for a North Atlantic community... The Canadian government also believed that the admission of Italy would weaken public support for the treaty.<sup>19</sup>

While Reid did not elaborate further on the last point, James Eayrs suggested that “perhaps the government assumed that many Canadians would not welcome as an ally a country which had been so recently an enemy and – for Canadian soldiers – a theatre of war.”<sup>20</sup>

Once it became clear that other members of the proposed NATO wanted Italy included, Canada withdrew its reservations. In conveying its decision to the Italian government, the Canadian government explained that its earlier opposition had nothing to do with a desire to keep Italy out, but was related to the difficulty of knowing where to draw the line on membership.<sup>21</sup> As a result, Canada and Italy became co-signatories of the North Atlantic Treaty in April 1949, and common membership in the alliance became one of the most substantive and enduring elements in their relations for over half a century. Given some of Canada’s early reservations, it is also interesting to note that Italy was one of the very few members of the Alliance prepared to support Canada’s efforts to give more substance to Article 2 of the North Atlantic Treaty, i.e. to see the alliance become a broader political and economic community.<sup>22</sup>

Under the NATO aegis, the two countries cooperated in a variety of defence and security tasks. Thus in the 1970s they concluded an agreement for the training of some 50 Italian air force pilots in Canada.<sup>23</sup> In 1999, a squadron of Canadian air force aircraft was stationed in Aviano in Italy to undertake NATO mandated air strikes against Yugoslavia as part of the effort to forestall a humanitarian disaster in Kosovo. Beyond the NATO ambit, Canada and Italy emerged as members of a small group of “like-minded” countries in their support for and participation in UN peacekeeping operations. This gave rise to much informal consultation, coordination and cooperation in devising the mandates and operational configurations of individual UN missions.<sup>24</sup>

### Trade and Investment

One of the first representatives of the Italian government to visit Canada was Marco Doria, who toured the country in 1906. On his return to Italy, he wrote rather presciently that: “We must not only look upon Canada as a hospitable land which will welcome a large part of our emigrants, while respecting their language and culture, but also as a market to be captured, as a place from which to acquire the natural resources that we need.”<sup>25</sup> It was not, however, until after the Second World War that the Canadian government began to regard Italy as a potentially promising trading partner. This new commercial interest was reflected in the approach which Canada adopted to the conclusion of a peace treaty with Italy,<sup>26</sup> and in the fact that the first formal agreement concluded with Italy after the establishment of diplomatic relations in 1947 was a commercial *modus vivendi*. The latter saw Canada and Italy extend to each other a treatment virtually equivalent to Most Favoured Nation status in their future commercial exchanges.<sup>27</sup>

In the ensuing decades both the Canadian private sector and the Canadian government paid steadily increasing attention to the Italian market. Thus in the 1970s, the Canadian government’s EDC significantly increased the value of the insurance coverage and guarantees it offered to Canadian companies selling in Italy, from \$16.6 million in 1970 to \$228.3 million in 1980, more than for any other country in the European Community.<sup>28</sup> In the 1980s, the Departments of External Affairs and

Regional Industrial Expansion mounted a large number of ministerial and technical missions to Italy to promote the sale of high-tech products, to foster industrial cooperation and to attract Italian investment capital to Canada. Those missions gave rise to the conclusion of several bilateral agreements covering industrial and economic cooperation, and technology transfers.<sup>29</sup> These types of initiatives by the Canadian government continued throughout the 1990s, culminating in Prime Minister Chrétien's visit to Italy in May 1997 at the head of a delegation of 70 business executives drawn from the aerospace, telecommunications, information technology sectors, and financial and medical services. The delegation also included 15 Canadian members of parliament of Italian ancestry, a move which not only served a useful public relations purpose, but also underscored the status and achievements of the Italian community in Canada. The Prime Minister's mission, along with subsequent missions led by the Minister of International Trade, resulted in the conclusion of memoranda of understanding between the aerospace and telecommunications industries of Canada and Italy.<sup>30</sup>

The result of the activities of governments and private sector corporations over several decades was a substantial trade and investment relationship between Canada and Italy. Two way trade between the two countries amounted to just over \$5 billion in 1999, making Italy Canada's eighth largest trading partner in the world. At the end of 1998, Canadian direct investment in Italy stood at \$733 million and Italian direct investment in Canada stood at \$672 million.<sup>31</sup>

From a Canadian perspective, the satisfaction to be derived from the growth of the bilateral trading relationship has been tempered by concern over its content and imbalances. While Italy's exports to Canada have consisted largely of manufactured products, Canada's exports to Italy have been dominated by raw materials. Thus in 1979-80, Canada's principal exports to Italy were wood pulp, wheat, barley, iron ores, petroleum and coal products. Despite all of the efforts of the Canadian government to develop markets in Italy for Canadian-manufactured products and technology, the situation has so far remained essentially unchanged; in 1998, Canada's major exports to Italy in dollar terms were wood pulp, wheat, ores and lumber.<sup>32</sup>

Concern over the relatively low level of industrial and technological content in Canada's exports to Italy has been compounded by a signifi-

cant increase in Canada's bilateral trade deficit with Italy throughout the 1990s. A deficit which stood at \$820 million in 1990 rose in subsequent years, reaching \$2.2 billion in 1999. The Canadian government clearly attributes these problems in part to the degree of protectionism and regulation evident in the Italian government's economic policies. Thus in 1994 the Canadian Ambassador to Italy remarked rather pointedly that:

Italy takes a different view of trade liberalization, because of the considerable degree of protection that state ownership provides to more than one third of the economy.... It seems to me that such major players in the world economy as Canada and Italy – both partners in the OECD and the G-7, and each solidly established in its regional economic union – should be able to pull more in the same direction in the matter of free trade.<sup>33</sup>

Three years later, in late 1997, *The Economist* noted that despite several years of political and economic reform, the Italian government had paid insufficient attention to economic liberalization and deregulation, and that "Italy had the most heavily regulated markets in the European Union after Greece."<sup>34</sup>

Despite these obstacles and irritants, the Canadian government continues its multifaceted initiatives to further develop the Italian market for Canadian exports of goods, services and technology. An excellent example was a five day event held in Naples in January 2000. Organized by the Canadian embassy in Rome and entitled *Canada Days in Naples*, it was "designed to raise Canada's profile as a modern, diverse society and to promote Canadian business prospects in the often neglected south of Italy. It included high-tech business meetings, a concert by the Canadian Brass, Inuit art and photo exhibitions, a tourism seminar, food promotion and academic events, key political and press encounters and a conference on development cooperation focussing on Africa."<sup>35</sup> The centrepiece of the programme was a symposium on information technology attended by representatives of 60 Canadian and 200 Italian companies, followed by the conclusion of a memorandum of understanding on bilateral cooperation in information technology, signed by the Italian minister of foreign trade and the Canadian minister of public works.

## Conclusion

The type of bilateral relationship which Canada has with Italy is one which encompasses the interest and interests of individuals, collectivities, corporations and governments. It is deeply rooted and broadly based. It has been nurtured and expanded through the sustained diplomatic efforts of the Canadian government over several decades. These have resulted in the multiplication of the number and types of contacts, exchanges and agreements between the two countries. Although not devoid of problems, the relationship between Canada and Italy can certainly be described as close, substantial and productive, with the potential for further incremental growth. As such, the relationship directly serves the interests of Canada and Canadians, and contributes indirectly to sustaining the position and influence of Canada in multilateral fora such as the G-7, the OECD and NATO.

## Notes

1. Quoted in Roberto Perrin and Franc Sturino, *Arrangiarsi: The Italian Immigration Experience in Canada* (Montreal: Guernica Editions, 1989), p. 52.
2. Department of Foreign Affairs and International Trade (DFAIT), *Statements No. 97/26* (Ottawa, 1997), p. 1.
3. Kim Nossal, "A European Nation? The life and times of Atlanticism in Canada," in *Making a Difference? Canada's Foreign Policy in a Changing World Order*, eds. J. English and N. Hillmer (Toronto: Lester Publishing, 1992), p. 81.
4. Paul Buteux, Michel Fortmann and Pierre Martin, "Canada and the Expansion of NATO," in *Will NATO Go East?* ed. David Haglund (Kingston: Queen's Centre for International Relations, 1996), p.160.
5. Department of External Affairs (DEA), *Statements and Speeches*, No. 70/24 (Ottawa, 1970), p. 2.
6. The figures for the period 1876 to 1970 are drawn from Clifford J. Jansen, *Fact Book on Italians in Canada* (Toronto: York University, 1987), pp. 71-73. See also Anthony Richmond, *Post-War Immigrants in Canada* (Toronto: University of Toronto Press, 1967), p. 5.
7. Franca Iacovetta, "Canadian Immigration Policy toward Italy after World War Two," in *Canada e Italia: Prospettive di Co-operazione*, ed. Fabrizio Ghilardi (Pisu: Edizioni ETS, 1994), pp. 192-194.

8. Ibid., p. 192. See also J.L. Granatstein et al., *Twentieth Century Canada* (Toronto: McGraw-Hill, 1983), pp. 232-264.
9. See William Macadam and James Dubro, "Organized Crime," in *The Canadian Encyclopedia* (Edmonton: Hurtig Publishers, 1985), pp. 1335-1336.
10. Clifford J. Jansen, *Fact Book on Italians in Canada*, pp. 2-6 and 72-73. The figures for 1985-94 are derived from Statistics Canada, *Annual Demographic Statistics 1994* (Ottawa, 1995), p. 175.
11. Government of Canada, *Canada Treaty Series 1979*, No. 2 (Ottawa: Queen's Printer, 1979) and *Canada Treaty Series 1980*, No. 31 (Ottawa: Queen's Printer, 1984). See also DEA, *Communiqués*, No. 106/77 (Ottawa, 1977).
12. Government of Canada, *Canada Treaty Series 1985*, No. 17 (Ottawa: Queen's Printer, 1988). Although signed in 1981, this treaty only came into force in 1985.
13. DEA, *Communiqués*, No. 47/76 (Ottawa, 1976) and No. 98/80 (Ottawa, 1980).
14. DFAIT, *Statements*, No. 97/26 (Ottawa, 1997).
15. Government of Canada, *Canada Treaty Series 1974*, No. 19 (Ottawa: Queen's Printer, 1976).
16. Government of Canada, *Canada Treaty Series 1985*, No. 18 (Ottawa: Queen's Printer, 1989).
17. F.H. Soward, *Canada in World Affairs: The Pre-War Years* (Toronto: Oxford University Press, 1941), pp. 23-30.
18. John Holmes, *The Shaping of Peace: Canada and the search for world order 1943-1957*, Vol. II (Toronto: University of Toronto Press, 1982), p. 111.
19. Quoted in James Eayrs, *In Defence of Canada: Growing Up Allied* (Toronto: University of Toronto Press, 1980), p. 115.
20. Ibid., p. 115.
21. Ibid., p. 116.
22. See for example, John Munro and Alex Inglis (eds.), *Mike: The Memoirs of the Right Honourable Lester B. Pearson*, Vol. II (Toronto: University of Toronto Press, 1973), pp. 64 and 91.
23. Government of Canada, *Canada Treaty Series 1971*, No. 34 (Ottawa: Queen's Printer, 1974).
24. Andrew Cooper, *Canadian Foreign Policy: Old Habits and New Directions* (Scarborough: Prentice-Hall, 1997), p. 177.
25. Quoted in Roberto Perrin and Franc Sturino, *Arrangiarsi*, p. 111.
26. See R.A. Mackay (ed.), *Canadian Foreign Policy 1945-1954: Selected Speeches and Documents* (Toronto: McClelland and Stewart, 1971), p. 27.
27. Government of Canada, *Canada Treaty Series 1948*, No. 9 (Ottawa: Queen's Printer, 1949).

28. Export Development Corporation, *Annual Report 1970* (Ottawa, 1971), p. 22; and *Annual Report 1980* (Ottawa, 1981), p. 62.
29. DEA, *Annual Report 1985-86* (Ottawa, 1986), p. 33; *Annual Report 1987-88* (Ottawa, 1988), p. 41; and *Annual Report 1988-89* (Ottawa, 1989), p. 42.
30. DFAIT, *News Release*, No. 128/98 (Ottawa, 1998), pp. 1-3.
31. For trade figures, see Statistics Canada, *Canadian International Merchandise Trade: December 1999* (Ottawa, 2000), pp. 24 and 36. For investment figures, see <http://www.dfait-maeci.gc.ca/english/geo/europe/84073-e.htm>, p. 2.
32. For 1979-80, see DEA, *A Review of Canadian Trade Policy* (Ottawa, 1983), p. 230. For 1998, see <http://www.dfait-maeci.gc.ca/english/geo/europe/84073-e.htm>, p. 2.
33. De Montigny Marchand, "Canada and Italy in a Changing World Order," in *Canada e Italia*, p. 33.
34. "Survey of Italy," in *The Economist*, November 8, 1997, p. 18.
35. <http://www.dfait-maeci.gc.ca/english/news/newsletr/canex/000315ce.htm>, p. 1.





## *A ROLLER COASTER RIDE*

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### **INDIA: 1947–2007**

Few, if any, of Canada's bilateral relationships with major countries have known so many ups and downs as its relationship with India. Following India's achievement of independence in 1947, there slowly emerged an exemplary and close relationship based on shared perspectives, mutual interests and a conducive international environment. Strains largely related to Cold War realities began to appear in the 1960s, but it was not until the Indian nuclear explosion of 1974 that the relationship suffered a catastrophic blow. In the ensuing twenty years, relations settled down to a period of normalcy and benign indifference. In the early to mid-1990s the Canadian government appeared to have rediscovered India and to have committed itself to a "rejuvenation"<sup>1</sup> of the relationship, in response to new domestic and international realities affecting India and Canada. These efforts came to an abrupt halt in May 1998 when the Government of India announced that it had conducted a series of nuclear weapons tests. The relationship was once again consigned to the back burner, if not the deep freeze. There it remained until March 2001 when the Canadian Government announced its intention to re-engage fully with the Government of India and to pursue a broadly-based political and economic relationship. In pursuit of this endeavour, the Canadian Government will no doubt find that there exists both obstacles and limitations as to what can be achieved, and that "the romance

of the Indo-Canadian relationship of the fifties and sixties is gone forever and is not likely to return."<sup>2</sup> That does not mean, however, that a more productive and substantive relationship than that which prevailed during the last quarter of the twentieth century is not achievable, especially if expectations on both sides are firmly grounded in pragmatism and mutual interest.

### **The Halcyon Days**

The Indo-Canadian relationship of the late 1940s and early 1950s was shaped by a number of shared interests, concerns, and perspectives. Both countries were intent on forging new places for themselves in the international community: for India it was a matter of affirming its identity and role as a newly independent Asian power and as the world's largest democracy; for Canada it meant breaking free of an isolationist tradition and taking full advantage of the stature it had acquired during the Second World War and of the strengths which it enjoyed internationally relative to the war-torn countries of Europe.

The first major signs of an emerging Indo-Canadian partnership appeared in the efforts of both countries to forge a new multiracial Commonwealth from the remnants of the old British Empire and Commonwealth.<sup>3</sup> Both countries saw in the Commonwealth a vehicle for preserving and enhancing relations with a number of partners who enjoyed common historical experiences, traditions, and institutions; the Commonwealth could also serve as a secure multilateral launching pad for the pursuit of foreign policy interests in areas beyond its central mandate. For Canada, Commonwealth membership was to serve another major purpose, "as a corrective to continentalist preoccupations" and as a counterweight to the dominant bilateral relationship with the United States.<sup>4</sup>

The emergence of the Cold War also served to strengthen relations between Canada and India. Although approaching the issues of the deepening East-West divide from very different perspectives, both saw merit in setting for themselves a course in world affairs that would distance them from the extremes represented by Stalinism and McCarthyism. "The Canadian government attached special importance to the

role of India as perhaps the leading neutral in the modern world. In an international community which seemed in danger of division into two warring camps, India because of its size and the quality of its leadership appeared the natural leader of a possible middle group.”<sup>5</sup> But Canada also took a direct interest in India both as a potential bulwark against Soviet expansionism in Asia, and as a country bedevilled by socio-economic problems and regional conflicts which could be exploited by the Soviet Union.<sup>6</sup> These factors go a long way toward explaining the sustained efforts which Canadian leaders made to foster dialogue and close cooperation between the two countries.

The birth of the Colombo Plan in 1950 was to lay the foundation of one of the most important and enduring elements of the Indo-Canadian relationship. Newly independent India was facing enormous socio-economic challenges, manifested particularly in the fields of energy, transportation, agriculture, irrigation, health, education, and poverty alleviation. It was to help meet these challenges in India and South Asia more broadly that Canada and the other industrialized countries of the Commonwealth devised the Colombo Plan. This was to become Canada’s first major venture into the field of economic development assistance. A relationship characterized at first by mutual empathy and shared political interests began progressively to take on concrete expression in the form of locomotives and hospitals, hydro and nuclear power stations, irrigation and agricultural development schemes, as well as a steady flow of experts, teachers and students in both directions. India became and was to remain the largest single beneficiary of Canadian development assistance over a period of more than four decades (\$2.7 billion from 1950 to 1993).<sup>7</sup>

By the mid-1950s the Indo-Canadian relationship had evolved into a real partnership between a leading actor in affairs in Asia and the Global South, and a significant member of the Western community of nations, from which both derived advantage. In the words of one Canadian scholar:

Both powers were internationalist, enjoyed clear stature within the Commonwealth and the UN, and dealt with each other as if they respected that stature. Each accepted the other as sympathetic, powerful in its own right, and a prime conduit to larger interests. As long as these conditions held, they formed a sound basis for an effective relationship.<sup>8</sup>

But the “conditions” which underpinned the relationship were not to remain intact for very long; they came to be slowly but progressively eroded in the ensuing years. On the one hand, Canada’s position as a leading member of the Western alliance began to dwindle as the countries of Western Europe recovered from the destruction suffered in the Second World War and reaffirmed themselves on the international scene.<sup>9</sup> On the other hand, and more importantly, the realities of the Cold War began to impose themselves on the bilateral relationship, as India developed ever closer links to the Soviet Union and there emerged “a lack of identity on issues.”<sup>10</sup>

### **From Irritants to Disruption**

The first important manifestation of this drifting apart on major international issues occurred in 1956. The Canadian government criticized the Indian government’s failure to condemn the Soviet Union’s invasion of Hungary in the same vigorous terms it had used to condemn the role of the United Kingdom and France in the Suez Crisis. The Indian government in turn criticized Canada for doing exactly the opposite: condemning the Soviet Union but not issuing a strong public denunciation of the actions of the United Kingdom and France. These events led to a temporary souring of relations between the two governments.<sup>11</sup>

A more enduring irritant was to arise out of the joint participation of Canada and India (along with Poland) in the International Control Commissions in Indochina. From the early 1960s onwards, the role and functioning of these commissions gave rise to acrimony:

To India, it appeared as if Canada found it more difficult to be independent when the United States was involved, becoming somewhat of an apologist for the American-backed South Vietnam regime. To Canada, it seemed as if India was more interested in majority resolutions than in fairness; since the Poles invariably supported the Communist side, this meant that India did less than justice to the opposing side.<sup>12</sup>

Regardless of the merits of these divergent points of view, the net effect of the experience of the Indochina Commissions was, to say the least, “prejudicial to amicable Canadian-Indian understanding.”<sup>13</sup>

The Canadian government’s distrust of the Indian government deep-

ened in the late 1960s as Prime Minister Indira Gandhi progressively abandoned even the pretence of nonalignment in the Cold War arena by espousing ever closer relations with the Soviet Union. This policy culminated in the signing, in August 1971, of a Treaty of Peace, Friendship and Cooperation between India and the Soviet Union. This treaty proved to be no mere formality, bringing in its wake a greatly intensified bilateral trading relationship (the so-called rouble-rupee arrangement) and the flow of large quantities of Soviet military equipment to India. Like most of its Western allies, Canada saw this development as detrimental to both its security and economic interests,<sup>14</sup> and as a setback in the ongoing Cold War confrontation with the Soviet Union.

The signature of the Indo-Soviet treaty was rapidly followed (in December 1971) by the third Indo-Pakistani war, which resulted in the dismemberment of Pakistan and the creation of Bangladesh. On the strength of its military victory in that war and of its new relationship with the Soviet Union, India was able to dictate the terms of peace to Pakistan, in the form of the Simla Agreement of 1972. One of the provisions of the Simla Agreement stipulated that, henceforth, India and Pakistan would resolve all their differences, including the Kashmir dispute, on a bilateral basis. The net result of this was to effectively bring to an end any UN role in attempts to find a solution to the dispute. By the same token it marked the end of Canada's modest mediatory and peacekeeping endeavours in the Kashmir dispute, all of which had been conducted under UN auspices.<sup>15</sup> Thus, one more Canadian link to India and the problems of the South Asian region was broken.

The impact of all of these events on the bilateral relationship was relatively minor when compared to the effects of the Indian nuclear explosion in May 1974. Seen as a betrayal of solemn undertakings repeatedly made to the Government of Canada by the Government of India that its nuclear program was for exclusively peaceful purposes and did not involve plans to explode a nuclear device, the Indian action provoked a reaction of outrage in Canada, not only in government circles but also among the general public.<sup>16</sup> It was viewed not only as a breach of the agreements governing Canada's nuclear assistance to India, but also as flying in the face of the Canadian government's well-known policy of seeking to prevent the proliferation of nuclear weapons. As one former Canadian High Commissioner to India put it: "The explosion of a nu-

clear device in 1974 touched one of the main nerves in the Canadian psyche. It has been and remains a matter of national conviction that we do not intend to be contributors in any way to nuclear warfare."<sup>17</sup> Another former High Commissioner commented that the explosion "had a catalytic effect on Indo-Canadian relations. It demonstrated that so far as Canada was concerned the special relationship had ceased to exist."<sup>18</sup>

The Indian government for its part found the Canadian reaction to its "peaceful nuclear explosion" to be disproportionate and hypocritical, and clearly indicative of a double standard. Canada was after all a full member of the nuclear-armed NATO alliance, and through NORAD was part of the United States' strategic nuclear deterrence system. Moreover, Canada itself had agreed in the 1960s to acquire nuclear warheads for four of its weapons systems and shared control of those weapons with the United States.<sup>19</sup> In short, Canada's protestations and outrage were found to be unconvincing in New Delhi, and this became evident during the ensuing two years of fruitless bilateral negotiations aimed at finding ways to salvage the Indo-Canadian nuclear cooperation program. Finally, in May 1976, the Canadian government announced the termination of the program in the face of India's refusal to accept comprehensive international safeguards on its nuclear activities.<sup>20</sup>

### **The Years in Limbo**

In announcing the termination of the nuclear program, the Canadian government also stated that:

Our nuclear differences are profound; nevertheless nuclear affairs form only one part of what has been a broad and important relationship... [These decisions] are not intended to preclude the pursuit of other elements of mutual interest in our overall links with India, ... this important developing Commonwealth nation.<sup>21</sup>

The reality was to prove somewhat different, however. The geopolitical interest which Canada had originally taken in India had already dwindled as a result of India's ever closer alignment with the Soviet Union, and events surrounding the nuclear explosion were to cast a pall over relations for nearly 20 years. "For better or worse, after May 1976, Canadian-Indian relations were a dormant issue in Canadian politics."<sup>22</sup>

One of the measures taken by the Canadian government in the aftermath of the explosion was to curtail Canadian economic development assistance to India. Whereas the value of annual Canadian aid disbursements to India stood at \$101 million in 1971-72, it had decreased to \$31 million by 1978-79.<sup>23</sup> While this trend began to be reversed in the 1980s, the level of Canadian aid never again reached the historical highs recorded in the pre-1974 period. Thus, between 1985 and 1994, Canada's annual aid disbursements to India averaged \$48 million.<sup>24</sup> This reality, combined with the decreasing relative importance of external aid as a factor in India's growing economy, meant that yet another mainstay in the Indo-Canadian relationship became a wasting asset.

Nor did any other trends in the economic relationship begin to fill the gap. India had consistently proved to be a disappointing export market for Canada, and was to remain so throughout the 1980s and into the 1990s. Canadian sales to India showed no pattern of steady growth and averaged less than \$350 million annually between 1990 and 1995. Although India is the second largest country in the Asia-Pacific region and the single largest recipient of Canadian economic assistance over time, in 1994 it ranked only tenth among Canada's export markets in the region.<sup>25</sup> On the investment front, there was some modest growth in the value of Canadian investments in India, from \$88 million in 1985 to \$168 million in 1995, but this nevertheless represented less than two per cent of the value of Canadian investments in the Asia-Pacific region as a whole.<sup>26</sup> In the field of industrial cooperation among private sector enterprises the picture was no more encouraging. "Between 1957 and 1985, the Government of India approved over 9,000 industrial collaborations with foreign partners. Of these, just over 80 were with Canadian firms."<sup>27</sup>

If the terms "modest" and "stagnant" aptly describe the Indo-Canadian economic relationship in the 1980s, much the same could be said of the political relationship. While the two governments worked together within the framework of the Commonwealth in efforts to bring an end to the apartheid regime in South Africa, the only issue on which they were to make common cause on a bilateral basis was the fight against Sikh terrorism; this eventually led to the signature of the Canada-India extradition treaty in 1987.<sup>28</sup> However, even this did not turn out to be an unqualified asset to the relationship, since the Canadian government also frequently felt called upon to remind the Indian government of its

concerns over the human rights abuses committed by the Indian security forces combatting the Sikh separatists in the Punjab.<sup>29</sup> In fact, the relative lack of interest displayed by Canada in India and South Asia in the 1980s and early 1990s led one Canadian scholar to conclude that “South Asia has fallen off the Canadian agenda” and become “a black hole in the mind of Canadian diplomatic and academic practitioners.”<sup>30</sup>

## **A New India**

This lack of interest or indifference was not solely the legacy of a period of antipathy and bad relations. It was also the product of mutual ignorance. In both the public and private sectors in Canada and India there was a lack of awareness of the other’s economic developments and capabilities.<sup>31</sup> In Canada, the dominant image of India in the early 1990s seemed to remain that conveyed by the UN’s annual Human Development Reports - a country of over 900 million people with a per capita GNP of only US\$310, an adult literacy rate of only 50 per cent, and a human development ranking placing it 134<sup>th</sup> out of 173 countries.<sup>32</sup> In other words, India was still viewed primarily as an impoverished aid recipient rather than as a potential economic partner at a time when Canada was devoting ever more attention and priority to developing its trade and investment relations with other parts of Asia.<sup>33</sup>

Some of the new realities of the India of the 1990s were only slowly recognized in Canada. First among these was the emergence of an educated and modern middle class, estimated to number as many as 200 million people. This group was not only destined to become the motor of India’s industrial and commercial expansion, but also represented one of the world’s largest consumer markets.<sup>34</sup> Second was the change wrought by the Indian government’s program of economic reform embarked upon in 1991 in response to pressure from the International Monetary Fund. Although this ambitious program of liberalization, deregulation, and privatization generated considerable internal opposition and was only slowly implemented, it did mark a definite break with the past and India’s reintegration into the international trading system.<sup>35</sup> “India is now perceptibly more open to the world. The insularity of the past has been replaced by an enlivening consciousness of how badly



the country has done; and of how much it has to do to catch up with the rest of the world."<sup>36</sup> Finally, India was profoundly affected by the collapse of the Soviet Union in 1991. This meant not only the end of India's principal security partnership, but also of one of its most important and most advantageous trading relationships. As a result, India turned increasingly to the West in search of new markets and new sources of foreign investment.<sup>37</sup>

While eschewing journalistic hyperbole of the kind "India is an economic miracle waiting to happen,"<sup>38</sup> it was undoubtedly true that the Indian economy had scored some impressive gains. Exports were up by 19 per cent, 18 per cent and 27 per cent in the years 1992, 1993, and 1994 respectively.<sup>39</sup> GNP growth rates hit the five per cent mark in the early 1990s and surged to seven per cent in 1995.<sup>40</sup> "Government approvals of foreign direct investment went up from US\$4.5 billion in 1994 to US\$10 billion in 1995, and the actual inflow of foreign equity doubled to almost US\$2 billion."<sup>41</sup> India was in a period of fairly rapid economic expansion, and the Indian economy was attracting increasing attention from abroad.

At least one Indian scholar-journalist suggested that the transformation taking place in India was even more profound: "in the post-Cold War world, where per capita income and trade surpluses, rather than the size of nuclear arsenals, have become the denominator of national stature, India is reshaping its future, politically, economically, and even ideologically."<sup>42</sup> At least part of this assertion was open to question given that India had shown no sign of shifting resources from military expenditures to socio-economic development. On the contrary, India continued its expensive programs to develop and produce short- and medium-range missiles capable of delivering nuclear weapons, and maintained its drive to develop an indigenous defence industry "leading to higher research and development and procurement costs."<sup>43</sup> Indeed, India was one of only two major countries in the world (the other being China) whose defence expenditures/budgets increased significantly, from US\$7.5 billion in 1994 to US\$8.4 billion in 1996, an increase of 12 per cent.<sup>44</sup> Thus it seemed that India was not in the process of abandoning its aspirations to become a dominant regional power in favour of economic development,<sup>45</sup> but was rather seeking to pursue both objectives simultaneously.

It is this reality that led one leading American scholar to write that India's "surging population, economic potential, regional aspirations and military might suggest a power that will increasingly exert its influence in the region."<sup>46</sup> He went on to add that "the principal challenge for the international system in the coming decades is the peaceful inclusion of rising states like China and India."<sup>47</sup>

### **The Canadian Response**

It was not, however, until 1994 that the Canadian government began to develop a sustained and systematic response to the opportunities and challenges opened up to it by developments in India. In the October of that year the minister of international trade, Roy MacLaren, led a major trade mission to India. Accompanied by 40 business people representing the engineering, electronics, telecommunications and transportation sectors, MacLaren made it clear that the Canadian government was prepared to view India as "one of the most promising markets in the Asia-Pacific region for Canadian business,"<sup>48</sup> and no longer as a country on the margins of its long-standing economic priorities in Asia. In a speech in Vancouver a few months later, MacLaren explicitly recognized India's growing importance in the political economy of the Asia-Pacific region:

Beyond the continued and rapid growth of Japan and the "Asian Tigers," the region is the cradle for the emergence of two enormous and hitherto closed economies: China and India. More quickly than most realize, their emergence will send shock waves through the global economic system - shock waves that will need to be managed and ultimately absorbed, partly through membership in the new World Trade Organization but also through membership in APEC.<sup>49</sup>

Early in 1995 the Canadian government sent yet another major trade mission to India, consisting of 44 business people and led by the secretary of state, Raymond Chan.<sup>50</sup> At the same time the Department of Foreign Affairs and International Trade (DFAIT) initiated an extensive process of consultations with provincial governments and with private sector corporations in order to develop a coherent strategy to pursue Canada's trade and economic interests in India. The results of these con-

sultations went into the publication in June 1995 of a well-researched and detailed document entitled *Focus India: Building a Canada-India Trade and Economic Strategy*. The stated purposes of this document were threefold: “to create a higher profile for India in Canada; to raise the awareness and interest of the Canadian private sector in this vast emerging market; and to coordinate government programs and activities in order to become a catalyst for increased private sector involvement in India.”<sup>51</sup>

While outlining a program of activities to be undertaken by the Canadian government, *Focus India* clearly placed the emphasis on the role of the Canadian private sector in exploiting the opportunities presented by the new India in the fields of trade, investment, and joint ventures. Replete with sectoral analyses of key areas in which there appeared to be a particularly good “fit” between Indian requirements and Canadian capabilities (e.g., telecommunications, power generation, and environmental protection), the document also offered detailed advice on market conditions, sources of financing, and the availability of trade promotion support. Although *Focus India* was eloquent in explaining the size and potential of the Indian market, it also included a note of caution in stressing that it “is not a market for the timid or uninitiated”,<sup>52</sup> and that in spite of India’s economic reforms “bureaucratic bottlenecks, conflicting or vague policies and guidelines, infrastructure problems, the importance of connections and cultural differences make India a difficult market to penetrate.”<sup>53</sup>

The positive reception accorded the publication of *Focus India* by the Canadian business community laid the groundwork for the Canadian government’s ambitious endeavours to create a new and reinvigorated relationship with India. In January 1996 India was the focal point of a so-called “Team Canada” mission to Asia. Led by Prime Minister Chrétien, the mission consisted of seven provincial premiers (prime ministers), two federal Cabinet ministers and some 300 business people representing 204 companies. The mission was to serve a variety of purposes: to raise the profile of Canada among India’s political and economic elites, to foster direct contacts and dialogue between the political leadership of the two countries, to highlight Canada’s industrial capabilities to the Indian business community, and to conclude a number of agreements and contracts. In the event, some 75 commercial agree-

ments were signed in New Delhi and Mumbai, worth approximately \$3.4 billion, and the mission was judged a resounding success by the Canadian government.<sup>54</sup>

In the wake of the Team Canada mission, there was a noticeable increase in the number of bilateral exchanges and initiatives. A delegation of the Confederation of Indian Industry visited Canada in June 1996, and an official visit by the Indian Minister of External Affairs, Kumar Gujral, took place in the September of that year. At the same time, the Canadian government announced its intention to strengthen its commercial staffs in New Delhi and Bombay, and to open new consular and commercial offices in Bangalore, Madras and Chandigarh.<sup>55</sup> In early 1997, it was the turn of Canadian Foreign Minister Lloyd Axworthy to visit India at the head of a delegation of parliamentarians and business people. Following his talks with Minister Gujral in New Delhi, it was announced that a Joint Ministerial Committee would be formed to facilitate consultations between the two governments on a wide range of political and economic issues. In a speech in Calcutta, Axworthy set the tone for a new phase in the relationship when he said that India “is emerging as one of the major world players of the twenty-first century. Canada recognizes this, and we want to give India the priority it deserves in our foreign relations.”<sup>56</sup> He went on to sketch out the prospects for a broadly-based cooperative relationship encompassing economics, security, culture, education and development assistance.

### **Downturns and Upswings**

This vision of a renewed and vital Canada-India relationship was, however, to turn to dust in May 1998 when the Indian government announced that it had conducted a series of nuclear weapons tests. Given the centrality of nuclear non-proliferation in Canada’s security and arms control policy, the reaction of the Canadian government to this news was predictable and swift. Foreign Minister Axworthy declared that “thirty years of successful management of the nuclear proliferation threat has been undermined” and that the tests “constitute a clear and fundamental threat to the international security regime and, thus, to Canada’s security.”<sup>57</sup> The Canadian government’s immediate policy

response to the tests was a combination of condemnations, sanctions and exhortations. It included:

- Strong criticism of the actions of the Indian government.
- The discontinuation of Canadian non-humanitarian aid to India.
- Support for the deferment of development projects in India funded by the International Financial Institutions.
- The temporary withdrawal of the Canadian High Commissioner from New Delhi.
- The postponement or cancellation of a variety of government-to-government contacts.
- A call to the Indian government to adhere to the nuclear Non Proliferation Treaty (NPT) and to the Comprehensive Test Ban Treaty (CTBT). The Canadian government subsequently joined its G-8 partners in condemning both the Indian and Pakistani nuclear weapons tests, in underlining their deleterious consequences for international peace and security and for socio-economic development in South Asia, and in calling on India and Pakistan to adhere without conditions to the NPT and the CTBT.<sup>58</sup>

The Indian government, for its part, emphatically rejected the positions adopted and the appeals made by Canada and the other G-8 countries. Speaking in November 1998, the Indian High Commissioner to Canada succinctly summarized his country's position:

The fact is every state has a right to make its own assessment of the threat to its security and then to take such measures as it deems appropriate for countering such threats. The only constraints in taking such measures are that these should not violate international law or any bilateral or multilateral treaty obligations. In deciding to weaponise its nuclear capability, India has done no more than it was entitled to do.

India values highly its relations with countries with whom it has had traditionally friendly ties, but national security is of paramount importance. India should not find itself compelled to choose between measures which it considers essential for its security and friendship with countries which it considers desirable and mutually beneficial."<sup>59</sup>

Indeed, not only did the Indian government reject any notion of renouncing nuclear weapons, but the writings of its nuclear strategists suggested that the country was intent on developing a broadly-based

nuclear deterrence system consisting of a triad of aircraft, land-based missiles and sea-based missiles.<sup>60</sup>

On the nuclear weapons question the impasse could not have been more complete. It led to something of a hiatus in government-to-government relations which was to last for nearly three years. However, although the Canadian government's deliberate efforts to forge a new economic relationship with India came to a grinding halt, this did not prevent a slow but steady increase in the value of the bilateral trading relationship, which rose from \$1.2 billion in 1997 to \$1.7 billion in 2000.<sup>61</sup> This in itself served to demonstrate that the economic potential which had prompted the Canadian government to try to rejuvenate the relationship with India in 1994-95 was still very real. The recognition of this fact, combined with two other phenomena, led the Canadian government once again to reassess its policy toward India. The first was the realization that the sanctions which Canada and its G-8 partners had invoked against India had had no discernible effect in modifying the Indian government's nuclear weapons policy. The second was that most of Canada's G-8 partners had progressively relaxed or abandoned sanctions in favour of a resumption of normal relations with India.

In what was a major reversal of policy, the new Canadian Foreign Minister, John Manley, announced on March 21, 2001 that "the Government of Canada will pursue the broadest possible political and economic relationship with India. Canada will encourage bilateral ministerial visits, resume full Canadian International Development Agency programming in India, including industrial co-operation, and provide support to culture and sports."<sup>62</sup> While the announcement was accompanied by an expression of continued "deep concern" about the dangers of nuclear weapons proliferation in South Asia and a call to India to adhere to the CTBT and NPT, it was clear that the Canadian government was prepared to "compartmentalize" the nuclear issue so that it did not inhibit the pursuit of other Canadian interests in India.

In the year following the announcement of Canada's "re-engagement" with India, the Canadian government seemed intent on making up for lost time. There were visits to India by Immigration Minister Elinor Caplan, Deputy Prime Minister John Manley, Natural Resources Minister Herb Dahliwal, and International Trade Minister Pierre Pettigrew, at the head of a large business delegation, as well as a naval visit

to Mumbai by the Canadian frigate HMCS *Winnipeg*. During a visit to Ottawa by the India Minister of Power, Suresh Prabhu, the Canadian Export Development Corporation signed an agreement extending a \$115 million line of credit to India's Power Finance Corporation to finance the supply of goods and services by Canadian exporters.<sup>63</sup> And in an exercise reminiscent of the Focus India project of 1995, Pierre Pettigrew announced in early 2002 the launch of a new South Asia Trade Action Plan, aimed at enhancing the Canadian business community's awareness of the trade, investment and joint venture opportunities offered by the region.<sup>64</sup> In short, the roller coaster was once more on an ascending course.

### **Challenges and Limitations**

In seeking to enhance Canada's economic relationship with India, the Canadian government has identified a number of mutual interests and complementarities. For these to be translated into actual contracts, projects and realizations much work remains to be done to educate the public and private sectors of both countries as to the economic and technological capabilities of the other. The trade promotion programmes of the Canadian government, the presence in Canada of an Indo-Canadian community of over 500,000 and the activities of the Shastri Indo-Canadian Institute have all contributed to fostering mutual knowledge and understanding. But there is still a long way to go if the potential of the economic relationship is to be realized. For Canadians, in particular, it will be necessary to see beyond the images which tend to dominate most Western media reports on India: an impoverished and largely illiterate population living in squalor, a country constantly beset by sectarian violence and natural disasters, a regional or sub-regional actor locked into a seemingly endless conflict with neighbouring Pakistan. If more Canadians are to take an interest in doing business in India, they will have to come to see that there is far more to India than this. If they are to be effective in doing business there, they will also have to realize that this is not how Indian elites see themselves or their country. Quite the contrary. For example, in assessing the country's role in international affairs in 2001, a recent Indian government publication stated that

“India consolidated its position as a global power, bulwark of peace, stability, international understanding, security and balance not only in Asia, but on a much wider scale in the world.”<sup>65</sup> While Canadians do not necessarily have to share such assessments, they need to be aware of them and to understand them if they are to establish fruitful dialogues with Indian counterparts.

All of this may take time and imaginative effort, but the prospects for a broader and deeper economic relationship are on the whole encouraging, since both countries have clearly identified their interests in expanding and diversifying their export markets and their sources of foreign investment. Outside the economic sphere, however, it is far more difficult to identify mutual interests which could form the basis of a more broadly-based Indo-Canadian partnership. Canadian government statements speak in very general terms about the possibility of the two governments sharing experiences and views on topics such as poverty, social inequity, peacekeeping, insecurity, and political stability.<sup>66</sup> But even if such exchanges of views were to materialize, they would hardly represent a significantly enhanced political relationship. The Indo-Canadian political relationship of yesteryear was based on shared concerns and some common approaches to major international issues such as the construction of the modern multiracial Commonwealth, the search for equilibrium in a world polarized by the Cold War, the completion of the process of decolonization, the reversal of white minority rule in Rhodesia, and the campaign to end apartheid in South Africa. None of these, however, have any resonance in the post-Cold War world and it is not clear that there are many contemporary international issues on which there would be a meeting of minds between the two governments and on which they could make common cause. As one Canadian senior official remarked rather presciently nearly fifteen years ago, the reality is that Canada and India are now “separated by distance and by the pull of separate regions of the world, by different cultures and often by fundamentally different interests.”<sup>67</sup>

If it is difficult to identify the elements that might go into creating a significantly more substantive political relationship between Canada and India today, it is not difficult to identify the major obstacle to its realization. In the aftermath of the Cold War and of the conclusion of the major East-West arms control agreements, the issue of nuclear weapons



proliferation became one of Canada's primary security concerns and came to occupy pride of place on its arms control agenda. The Canadian government consistently advocated the strengthening, indefinite extension and universalization of the nuclear Non-Proliferation Treaty (NPT). It also became a strong proponent of a Comprehensive Test Ban Treaty (CTBT) and worked hard to achieve it. India, for its part, has consistently refused to adhere to the NPT for a variety of political and security reasons and has now become a declared nuclear weapons state. The gulf that exists between the positions of the two countries on this fundamental issue of security policy can be, and has been, sidestepped in the pursuit of economic and commercial interests, but it could well prove to be unbridgeable in the realms of political and security relations.

## **Conclusion**

Conditions seem favourable to the launch of a more dynamic and more substantive relationship between Canada and India. The new relationship will, in all likelihood, be primarily economic in character, focusing on trade, investment, joint ventures, and development assistance; it will be underpinned by people-to-people contacts involving the Indian community in Canada, the continued flow of Indian immigrants to Canada and a relatively modest program of cultural and academic exchanges. For this new economic relationship to take root, however, it will be essential that the Canadian government persist in its efforts to raise the Canadian profile in India and to sustain the interest of the Canadian business community; it will also be essential that the Indian government maintain its commitment to economic reform and liberalization in a climate of relative political stability.

A new economic relationship between Canada and India seems possible largely because it would be firmly grounded in mutual interest. Eschewing nostalgia and wishful thinking, it is difficult to identify any similar convergence of interests which could form the basis of a substantially enhanced and enduring political or security relationship. Indeed, it seems more likely that the newly emerging bilateral relationship will be essentially unidimensional. This does not, however, detract from the

merits of the Canadian government actively pursuing it. Having a solid and growing economic relationship with an India projected to become the world's fourth largest economy in the next few years would be an enormous asset for Canada in the twenty-first century.

## Notes

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11. Gupta, *India-Canada Relations*, pp. 58-59.
12. Dobell, "Canadian Relations with South Asia," p. 359.
13. *Ibid.*, p. 359. Matters were not helped when the Indian interpretation of Canada's role in the Indochina Commissions made its way onto the domestic political scene in Canada via the reporting of Canadian journalists, and caused the Canadian government considerable embarrassment.
14. See Gupta, *India-Canada Relations*, p. 75. The full extent of India's alignment with the Soviet Union became evident in 1979 when India stood out as one of a mere

- handful of non-Communist countries which failed to condemn the Soviet invasion of Afghanistan. See J. Lévesque, *L'URSS en Afghanistan* (Brussels: Editions Complexe, 1990), pp. 271-76.
15. See L.A. Delvoie, *Hesitant Engagement: Canada and South Asian Security*, Martello Papers 11 (Kingston: Queen's Centre for International Relations, 1995), pp. 18-22.
  16. *Ibid.*, pp. 30-33. See also Michael Tucker, *Canadian Foreign Policy: Contemporary Issues and Themes* (Toronto: McGraw-Hill, 1980), pp. 203-14.
  17. J.G. Hadwen, "Some of the Realities of the Indo-Canadian Relationship," in *The Indo-Canadian Relationship*, ed. Grewal and Johnston, p. 38.
  18. Escott Reid, *Envoy to Nehru* (Toronto: Oxford University Press, 1981), p. 261.
  19. See, for example, Savita Pande, "Issues in Canadian Nuclear Policy," *Strategic Analysis* 19, 5 (New Delhi: Institute for Defence Studies and Analysis, 1996), pp. 755-58.
  20. A.E. Blanchette (ed.), *Canadian Foreign Policy 1966-76: Selected Speeches and Documents* (Toronto: Gage Publishing, 1980), p. 28.
  21. *Ibid.*, p. 29.
  22. Dobell, "Canadian Relations with South Asia," p. 364.
  23. Canadian International Development Agency, *Annual Report 1975-76* (Ottawa: CIDA, 1976), p. 128; and *Annual Report 1978-79* (Ottawa: CIDA, 1979), p. 41.
  24. J.K. Boutin and D.B. Dewitt (eds.), *Canadian Relations with the Asia-Pacific Region: A Statistical Sourcebook* (Toronto: Canadian Consortium on Asia-Pacific Security, 1996), p. 5.
  25. *Ibid.*, pp. 23-24.
  26. *Ibid.*, p. 15.
  27. D. Holdsworth, "Canadian-Indian Partnership in the 1990's," in *Peace, Development and Culture: Comparative Studies of India and Canada*, ed. H. Coward (New Delhi: The Shastri Indo-Canadian Institute, 1988), p. 66.
  28. Department of External Affairs (DEA), *Statements* 87/08 (Ottawa, 1987), pp. 8-9.
  29. See, for example, DEA, *Statements*, 88/28 (Ottawa, 1988), pp. 1-2. The conclusion of this treaty did not put an end to periodic Indian recriminations to the effect that Sikh extremists in Canada were providing weapons and money to the separatists in Punjab.
  30. Ashok Kapur, "Canada and the Situation in South Asia," *CANCAPS Bulletin* No. 4 (Vancouver: Canadian Consortium on Asia-Pacific Security, 1994), p. 4.
  31. Holdsworth, "Canadian-Indian Partnership in the 1990s," pp. 58-60.
  32. United Nations, *Human Development Report 1995* (New York: United Nations Development Programme, 1995).

33. See, for example, Gérard Hervouet, "Présence Canadienne en Asie Orientale," in *Le Canada à l'ère de l'après-guerre froide et des blocs régionaux*, ed. A.P. Donneur and P. Soldatos (Toronto: Captus Press, 1993), pp. 55-78.
34. On the rise of the middle class in India, see, R.W. Stearn, *Changing India* (Cambridge: Cambridge University Press, 1993), pp. 207-21.
35. See Shekhar Gupta, *India Redefines Its Role*, Adelphi Papers 293 (London: International Institute for Strategic Studies, 1993), pp. 9-12.
36. "The Tiger Steps Out: A Survey of India," *The Economist*, January 21, 1995, p. 4.
37. See Gupta, *India Redefines Its Role*, pp. 12-13.
38. British journalist Clive Crook quoted in R.W. Stearn, *Changing India*, p. 219.
39. "India's economic nationalists," *The Economist*, August 12, 1995, p. 27.
40. "Emerging-market indicators," *The Economist*, November 16, 1996, p. 110.
41. "With gun, song and ballot: Kashmir," *The Economist*, February 17, 1996, p. 35.
42. Shekhar Gupta, *India Redefines Its Role*, p. 68.
43. *The Military Balance 1996-1997* (London: International Institute for Strategic Studies, 1996), pp. 152-53.
44. *Ibid.*, p. 159. The increase is more remarkable when denominated in Indian rupees: from Rs 235 billion in 1994 to Rs 287 billion in 1996, an increase of 22 per cent.
45. See Mohamed Ayoob, "India as Regional/Hegemon: External Opportunities and Internal Constraints," *International Journal* 46, 3 (1993): pp. 421-35.
46. Charles William Maynes, "Bottom-Up Foreign Policy," *Foreign Policy* 104 (1996): p. 39.
47. *Ibid.*, p. 40.
48. DFAIT, *News Release* 197/94 (Ottawa, 1994), p. 1.
49. DFAIT, *Statements* 95/3 (Ottawa, 1995), pp. 2-3.
50. DFAIT, *News Release* 43/95 (Ottawa, 1995), p. 1.
51. DFAIT, *Focus India* (Ottawa, 1995), p. 43.
52. *Ibid.*, p. 43.
53. *Ibid.*, p. 1.
54. The facts and figures in this paragraph were provided to the author by the South Asia Division of DFAIT in November 1996.
55. DFAIT, *News Release* 176/96 (Ottawa, 1996), p. 1.
56. DFAIT, *Statements* 97/1 (Ottawa, 1997), p. 1.
57. DFAIT, *Statements* 98/40 (Ottawa, 1998), p. 1.
58. For a fuller description and critical assessment of the Canadian government's policy, see L.A. Delvoie, "Taming the South Asian Nuclear Tiger: Causes, Consequences and Canadian Responses," in *Canada Among Nations 1999: A Big League*

- Player*, ed. F.O. Hampson, M. Hart and M. Rudner (Don Mills: Oxford University Press, 1999), pp. 233-252.
59. Rejanikanta Verma, "Canada-India Relations: Building on Experience," in *Canada-India Relations After the Nuclear Tests in 1998*, eds. Ashok Kapur et al. (Waterloo: University of Waterloo, 2000), p. 3.
  60. Jaswant Singh (ed.), *Nuclear India* (New Delhi: Institute of Defence Studies and Analyses, 1998) p. 315. See also Raju Thomas and Amit Gupta (eds.) *India's Nuclear Security* (Boulder, CO: Lynne Reinner, 2000), pp. 77-82.
  61. Statistics Canada, *Canadian International Merchandise Trade* (Ottawa, Various years).
  62. DFAIT, *News Release 35/01* (Ottawa, 2001), p. 1.
  63. DFAIT, *News Release, 77/01* (Ottawa, 2001), p. 1.
  64. DFAIT, *Statements, 2002/2* (Ottawa, 2002), pp. 1-5.
  65. Government of India, *India 2002: A Reference Annual* (New Delhi: Ministry of Information, 2002), p. 657.
  66. See for example DFAIT, *Statements 96/1* (Ottawa, 1996), pp. 2-3 and DFAIT, *News Release 35/01* (Ottawa, 2001), p. 1.
  67. Holdsworth, "Canadian-Indian Partnership in the 1990's," p. 69.



# *PERTURBED ENGAGEMENT*

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## **INDONESIA: 1949–2010**

With a population of some 230 million, Indonesia is the world's fourth most populous country after China, India and the United States. With vast pools of natural resources and human talent it is of significant economic interest. Both during and after the Cold War, Indonesia has been a notable actor in the political and security affairs of the Southeast Asian region, and its continued national unity is essential to regional stability. Since the terrorist attacks on New York and Washington in September 2001, Indonesia has attracted ever more international attention as the world's largest Muslim country and as the scene of some spectacular terrorist actions. Indonesia is thus a country of some real importance with which Canada has slowly but surely developed a productive and constructive relationship over a period of nearly sixty years. The process has certainly not been devoid of pitfalls and downturns, but the outcomes in today's world are ones which the Canadian government can view with some degree of satisfaction.

### **The Early Years**

Canada's first substantive involvement in Indonesian affairs occurred in 1949. The Indonesian struggle for independence against Dutch colonial

rule had by then been going on for four years. It was a struggle characterized by bouts of military confrontation interrupted by periodic and precarious truces. The United Nations Security Council had been seized of the question for some time but had been unable to resolve it. Various plans had been put forward but none had been met with approval by the parties to the conflict or by the membership of the Council. The deadlock was finally broken by General Andrew McNaughton, then serving as head of the Canadian delegation to the United Nations and as president of the Security Council. McNaughton introduced a resolution which mapped out a peace plan acceptable to the parties and to most of the members of the Council. Despite a Soviet veto, the plan was accepted and implemented and led to peace and independence in Indonesia in December 1949.<sup>1</sup> The importance of the role played by General McNaughton on this occasion was very publicly recognized in 2004 when the Indonesian government conferred on him, posthumously, the nation's highest civilian award.

Although Canada was among the first countries to recognize the newly independent Republic of Indonesia, it was not until 1954 that the Canadian government decided to establish an embassy in Djakarta. This decision was based not on any particular interest in the geo-politics of Indonesia or of the Southeast Asian region. Rather, the new embassy was viewed principally as a vehicle for the promotion of trade, as the official history of the Department of External Affairs makes clear.<sup>2</sup> In the event, any hopes which the Canadian government may have harboured for a commercial breakthrough in Indonesia proved vain, and the commercial section of the embassy was closed down in 1960 for lack of activity. It was only to re-open in 1969.

It was also in 1954 that Indonesia first became eligible for aid under the Colombo Plan of which Canada had been a founding member. This marked the start of a modest Canadian aid programme for Indonesia focussed primarily on agricultural development and on the provision of food aid. In both real and comparative terms, the emphasis here has to be on the word "modest". Throughout the decade of the 1950s the total value of Canadian aid to Indonesia amounted to only \$2.3 million, as compared to \$143 million for India and \$100 million for Pakistan. Indeed at this time the Indonesia programme suffered even by comparison with the Sri Lanka programme, which was marginally larger at



\$5 million per year. Although this small aid programme was certainly insufficient to have much impact in Indonesia or to raise the Canadian profile in that country, it did mark the beginnings of something which was to experience substantial growth in subsequent years.

In the early years there was no substantive development in political relations between Canada and Indonesia. This was due in large measure to the ideological orientations of Indonesia's President Soekarno. Soekarno, along with Nehru, Nasser and Tito, had been one of the founders of the Non-Aligned Movement which first took form at a conference held in Bandung, Indonesia in 1954. This in itself suggested that Indonesia would want to keep a certain distance between itself and both Western and Eastern countries in the context of the Cold War. But in the case of Soekarno it went further than that. "His militant anti-colonialism led him to view the world not in terms of the ideological conflict between the "free" and Communist worlds, but in terms of the nationalist struggle the world over against colonialism and imperialism."<sup>3</sup> The West was, of course, viewed as the embodiment of the latter two phenomena and throughout most of Soekarno's presidency Indonesia's relations with Western countries, including Canada, were cool at best.

The final years of Soekarno's term in office saw a severe downturn in Canada's relations with Indonesia. In 1963 the creation of the Malaysian federation was met by strong objections from the Indonesian government. For the next two years the two countries were engaged in a direct politico-military confrontation. In this dispute Canada sided squarely with Malaysia. Canada's position was based not only on what it saw as the merits of the case, but also on the fact that Malaysia was a fellow member of the Commonwealth. As the conflict unfolded, Canada offered Malaysia a small programme (\$4 million) of military assistance, including the supply of transport aircraft, motorcycles and military training. Despite this, the Canadian government did try to preserve its relationship with Indonesia by maintaining its food aid programme. It nevertheless found it necessary in 1965 to suspend an agreed sale to Indonesia of 12 Otter aircraft lest they be used in operations against Malaysia.<sup>4</sup> This had the effect of bringing the bilateral relationship to a new low.

## **The New Order**

This phase in the relationship came to an abrupt end as a result of dramatic political events in Indonesia. In 1965 President Soekarno was overthrown in the midst of much bloodshed and his regime was eventually replaced by that of General Suharto at the head of what came to be known as the “New Order” government. The new government promptly brought the confrontation with Malaysia to an end and embarked on a course of action which attached the highest priority to economic development as opposed to political grandstanding. Indonesia began to very deliberately cultivate relations with Western countries to which it looked for economic and technical assistance, as well as investment. While always remaining highly sensitive to external interference in its internal affairs and to foreign criticism of its domestic policies, the New Order government became solidly aligned with the Western world at a time of considerable regional instability, produced in good part by the onset of the cultural revolution in China and by the escalation of the war in Vietnam.<sup>5</sup>

Western countries not only welcomed the pro-Western stance of the new Indonesian government, but also the constructive role which it was prepared to play in regional affairs. Having terminated the politico-military confrontation with Malaysia, it embarked on the deliberate cultivation of productive relations with that country, including close defence cooperation. It subsequently joined the governments of Malaysia, the Philippines, Singapore and Thailand in the creation of the Association of Southeast Asian Nations (ASEAN), heralding a new era of regional political and economic cooperation.

Under these circumstances, it is perhaps not astonishing that Indonesia attracted the attention of the new Canadian government headed by Prime Minister Pierre Elliott Trudeau. The foreign policy review launched by the Trudeau government took stock of the new Indonesian realities and of Canada’s relations with the country. The White Paper of 1970, which was the end product of the review, noted that while Canada’s trade with Indonesia was still limited, its direct investments were significant. It went on to state that:

Indonesia with a population of over 110 million, extensive natural resources and a strategic location is potentially a country of prime im-

portance in Southeast Asia. In the last five years, the Indonesian government has provided evidence of its capacity to absorb and use increasing amounts of aid, and the Canadian government intends to concentrate more funds for development programmes in this country.<sup>6</sup>

The White Paper also suggested that the Canadian Armed Forces might arrange periodic exchanges of naval visits and military personnel with Indonesia, something which it envisaged in the case of only one other Asian country, Japan.

This enhanced profile for Indonesia in Canadian government thinking was to slowly translate itself into a “bulking up” of the relationship in the early 1970s. A relaunch of trade promotion activities was accompanied by increased interest in the investment potential evident in the country’s mineral resources and infrastructure requirements. Canadian private sector actors, such as the International Nickel Company of Canada (INCO), began to increase their stakes in the country through substantial investments. At the same time CIDA put in place a number of new aid programmes strongly linked to efforts at economic penetration, especially in the transportation and forestry sectors.<sup>7</sup> And there was increased high level political attention paid to Indonesia. In 1971, Prime Minister Trudeau spent three days on an official visit to the country. He was to be followed in subsequent years by two Secretaries of State for External Affairs, Donald Jamieson and Alan MacEachern, each accompanied by large delegations of businessmen and journalists. And there was no dearth of visits by provincial ministers and senior federal officials such as the president of CIDA, Paul Gerin Lajoie.

This new level of activity in the bilateral relationship culminated in the visit to Ottawa of President Suharto in July 1975. Suharto was accorded a very warm welcome by the Canadian government and the joint communiqué issued at the time described the visit as “a manifestation of the very close and friendly relations existing between the two countries and of the common will of the two peoples to expand and deepen their cooperation in all fields.”<sup>8</sup> In somewhat more concrete terms, the visit was the occasion for the signature of a memorandum of understanding between the two governments covering the provision of \$200 million in financing to assist in the development of the Indonesian economy and to facilitate trade between the two countries. Of the total amount, \$25 million was to be provided by CIDA and \$175 million by the EDC and

by other Canadian financial institutions.

It was not long after his visit to Canada that President Suharto launched one of the most controversial initiatives in his regime's thirty-year history. In December 1975, the Indonesian armed forces invaded, occupied and annexed the former Portuguese colony of East Timor. It was a brutal and bloody campaign in which it was widely reported that some 100,000 East Timorese lost their lives. Despite the illegality of the Indonesian action and the massive human rights violations to which it gave rise, the Canadian government chose to remain silent on the subject, to the surprise and dismay of many in Canada. Even the Canadian Ambassador in Djakarta at the time confessed to being both annoyed and surprised at not being instructed to make any representations to the Indonesian government and at the failure of the Department of External Affairs to make any fuss about the matter either publicly or through diplomatic channels.<sup>9</sup>

The failure of the Canadian government to criticize the Indonesian government or to take any punitive measures against it over the invasion of East Timor can probably be explained in two ways, which are by no means mutually exclusive. On the one hand, the Canadian government had by this time made a substantial effort to develop Canada's economic relations with Indonesia, an effort which was beginning to produce dividends. Indeed, as the Canadian Ambassador cited above noted, the annual value of Canadian exports to Indonesia rose from \$30 million to over \$300 million between 1974 and 1977.<sup>10</sup> Any overt action taken against an Indonesian government highly sensitive to external criticism would no doubt have jeopardized the progress being made on the economic front. On the other hand, there was the question of alliance and coalition solidarity. In the immediate aftermath of the United States' final and humiliating withdrawal from Vietnam, Canada's partners in the Southeast Asian region were not prepared to see the West's position further weakened by alienating the solidly pro-Western government of Indonesia. This was true of the governments of the United States, the United Kingdom, Australia, Japan and South Korea. Canada simply echoed their silence. To have done otherwise would not only have complicated its diplomatic relations with major partners, but left it isolated and hence unlikely to have any significant influence on the conduct of the Indonesian government.<sup>11</sup> Both of these factors also go a long

way towards explaining why the Canadian government for more than a decade chose to disregard the mounting evidence marshalled by organizations such as Amnesty International and Asia Watch concerning the widespread human rights abuses perpetrated by the Suharto government in Indonesia. Put simply, all this represented a triumph of pragmatism and interests over idealism and values in Canadian foreign policy.

### **The Policy of Bilateralism**

The relative importance of Indonesia in Canada's international relations was to receive a further boost early on in the next decade. While recognizing the evident importance of the multilateral dimensions of its foreign policy, the Trudeau government concluded that under the circumstances prevailing in the early 1980s it needed to devote more attention to its bilateral relationships. In particular, it decided to give more focus to the development of relations with a relatively small number of countries of particular importance to Canada, in order to make the best possible use of its limited diplomatic and financial resources. The thrust of what came to be known as the "policy of bilateralism" was explained in the following terms by the Secretary of State for External Affairs, Mark MacGuigan:

As a basic instrument of its global, differentiated foreign policy, the government has therefore decided to give concentrated attention to a select number of countries of concentration. The purpose is generally to strengthen long-term relationships with these countries because of their relevance to our long-term domestic development objectives. But the importance of the countries in question would also devolve from their relevance to our overall objectives and interests.<sup>12</sup>

The list of countries that the minister identified for concerted action and attention naturally included Canada's traditional major partners such as the United States, the United Kingdom, Germany, France and Japan. The list also included a small number of oil producing, newly industrializing countries: Mexico, Venezuela, Indonesia, Algeria and Nigeria. These latter were described by the minister as having "emerged as new centres of strength and influence. They are now where a lot of the action is in matters of commerce and economic development."<sup>13</sup>

In the case of Indonesia, the policy of bilateralism translated itself in a variety of ways. In the field of development assistance, it saw CIDA's range of activities broaden and the value of its annual disbursements of bilateral aid increase from \$12 million to \$55 million over the decade of the 1980s. Indeed, for the first time, disbursements to Indonesia came to exceed those to India and Pakistan. The Canadian government also expanded its efforts to promote trade with and investment in Indonesia. Many of these efforts were eminently successful, but in some instances the Canadian government encountered serious obstacles placed in its way by the Indonesian authorities. In his discussion of the phenomenon of "countertrade" in the early 1980s, Professor Andrew Cooper cites one particularly notable example of these obstacles:

A prime example of this type of experience was the giant Bukit Asam mine project on South Sumatra Island... In the Indonesian case both Canada's Export Development Corporation and the Canadian International Development Agency had put together a \$180 million parallel financing package to help win the Canadian firms contracts relating to the mine project, a package that was placed in limbo by the Indonesian countertrade demands.<sup>14</sup>

The policy of bilateralism also gave rise to an intensification of high level political contacts between the two governments, including a visit to Indonesia by Prime Minister Trudeau in 1983. But here again, the policy was not without its drawbacks, particularly in focusing public attention on some of the seamier sides of the Indonesian regime. Thus Professor Kim Nossal writes:

There had been virtual silence in Canada on the human rights record of the government of General Suharto in Indonesia in the mid- and late 1970s, even though Amnesty International and the United States Congress had cited Djakarta as one of the most persistent violators, and even though Indonesia was engaged in an alleged campaign of repression in East Timor, which it had invaded in December 1975. When it was announced, however, that Prime Minister Pierre Trudeau was to visit Indonesia in January 1983, a great deal of public criticism of both the Indonesian record and the Canadian policy suddenly erupted.<sup>15</sup>

Despite these sorts of problems the new Canadian government of Prime Minister Brian Mulroney, elected in 1984, persisted in efforts to

expand Canada's engagement with Indonesia in the realms of aid, trade and investment. Indeed, it added a new dimension to the relationship with a modest initiative in the security domain. In the late 1980s, CIDA joined forces with the Indonesian Foreign Ministry in sponsoring the creation and operations of what came to be known as the South China Sea Informal Working Group. Consisting of scholars, consultants and experts drawn from a variety of disciplines, the Working Group met annually to try to devise practical approaches to the international disputes surrounding the islands in the South China Sea, especially the Spratly Islands. The Group deliberately avoided tackling issues of legal jurisdiction and focussed on the development of confidence-building measures and other forms of cooperation. For Canada, the sponsorship and funding of the exercise represented an opportunity to pursue two policy objectives. On the one hand, it had a general interest in the avoidance of tensions and hostilities in Southeast Asia. On the other, it was able to help cement relations with Indonesia by responding positively to a request for assistance from the Indonesian government, which viewed Canada as a well-suited partner because of its lack of colonial history or big power ambitions in the region.<sup>16</sup>

### **New Downturns**

Like the Trudeau government before it, the Mulroney government was to find that sustaining constructive relations with Indonesia was anything but clear sailing. In November 1991, the Indonesian security forces were ordered to put down disturbances in East Timor. In the course of their operations, they killed a large number of unarmed civilian demonstrators in Dili, the capital of East Timor. The reaction of the Canadian government to these developments was prompt. The Secretary of State for External Affairs, Barbara McDougall, issued a statement expressing her "outrage" at what had taken place and strongly condemning those responsible. Representations were made at the highest level to the Indonesian government and Canada voiced its concerns at the United Nations Commission on Human Rights in Geneva. The government subsequently announced that it would suspend the approval of some \$30 million worth of new development projects which would be of di-

rect assistance to the Indonesian government. However, aid projects already underway would be allowed to continue, particularly in the fields of human resource development, environmental protection and water resource development.<sup>17</sup>

The reaction of the Mulroney government to what came to be known as the “Dili massacre” was certainly more vigorous than anything attempted by the Trudeau government in the face of similar events in Indonesia and East Timor. The reasons for this may be twofold. First, the issue of human rights appears to have acquired a higher priority in Canadian foreign policy, particularly at a time when Canada was among the countries leading the charge to end apartheid in South Africa. Second, in a post Cold War world, Indonesia was no longer viewed by Canada and its allies as being of strategic importance in curtailing the spread of Soviet power and influence in Southeast Asia. That said, it must also be recognized that the measures taken by the Canadian government against Indonesia were not particularly draconian. As Professor Andrew Cooper has very aptly remarked: “What the Canadian government was not willing to do was completely cut off diplomatic discourse and/or commercial relations with Indonesia; the risks attached to either approach were judged to be too high.”<sup>18</sup> Indeed, only three months after the Dili massacre the Indonesian foreign minister, Ali Alatas, paid an official visit to Ottawa at the invitation of Barbara McDougall. And there was no discernible diminution in the Canadian government’s trade and investment promotion activities in Indonesia.

The Chrétien government which came to power in 1993 was determined to pursue an export-led strategy to get Canada out of the economic recession in which it then found itself. Among the numerous initiatives which it launched to this end were a series of so-called “Team Canada” missions to Asia. These missions, led by the Prime Minister, included most of the provincial premiers, federal cabinet ministers and hundreds of business leaders. Whatever other results these missions may have had, they certainly had the effect of raising the profile of Asia as an area of economic opportunity in the Canadian business community and among the public at large. Prime Minister Chrétien decided to build on this enhanced interest by declaring that the year 1997 would be the year of Asia-Pacific for the Canadian government. From coast to coast the government marked the occasion by sponsoring conferences,



seminars and cultural displays on Asian themes and on Canada's interests in Asia. All of this activity was to culminate in the holding of a summit meeting of the Asia Pacific Economic Cooperation (APEC) organization in Vancouver in November 1997.

The APEC summit was duly held but for the Canadian media and public the gathering of numerous world leaders and the deliberations of the meeting itself were totally overshadowed by the activities of student demonstrators protesting the presence of President Suharto. Carrying placards denouncing Suharto as a serial human rights abuser, the demonstrators became increasingly vociferous. This in turn led the police on duty to become increasingly worried and to resort to ever stronger measures to keep the protestors under control, including the use of pepper spray. What was viewed by many as an overreaction by the police resulted in the calling of a public inquiry which lasted for several months and which required senior advisors to the Prime Minister to testify as to their roles in ordering or condoning the activities of the police. Indeed, the whole episode was to haunt the Chrétien government for years.<sup>19</sup> None of this was calculated to endear President Suharto to the Canadian government, and as far as the Canadian public was concerned, it once again cast a spotlight on the lamentable human rights record of the Indonesian government.

Further contributing to a slowdown in the development of Canada's relations with Indonesia was the economic crisis which hit Asia in 1997-98. Of all the countries of the Southeast Asian region, it was Indonesia that suffered the severest economic damage; in the year 1998 alone its GDP contracted by more than 13 per cent, twice the drop experienced by Thailand or Malaysia. This was due in large measure to the concentration of economic decision-making power in the hands of the Suharto clan, to widespread corruption and to the fragility of the banking system. And it took Indonesia longer than any of its neighbours to recover from the crisis. The result was, among other things, a very poor climate for business and investment, and this had a direct impact on Indonesia's international economic relations.<sup>20</sup>

The decade of the 1990s was not to end without the issue of East Timor once again coming to the surface. Following a referendum held under UN supervision, the East Timorese declared their independence from Indonesia in 1999. This decision was contested by a number of

local pro-Indonesian militias which, with support from rogue elements of the Indonesian army, embarked on a campaign of looting, burning and killing which resulted in the death or displacement of thousands of East Timorese. In an effort to put a halt to the atrocities and to restore law and order, the international community launched a military operation in East Timor, led first by Australia and then placed under the authority of the United Nations. In keeping with its general support for the United Nations and its commitment to the doctrine of human security, the Chrétien government contributed a contingent of some 650 members of the Canadian Forces and 15 civilian police officers to what came to be known as the UN Transitional Administration in East Timor (UNTAET). “However, because of the costs of deploying military units and the limited forces that Canada has available, the government did not want the military in East Timor for long term peace building.”<sup>21</sup> In fact, Canada’s military contribution to UNTAET was to last for only six months. What Canada left in place in East Timor after that was a small team of civilian police and a \$7 million fund for humanitarian relief and reconstruction.

### **A New Dawn**

If the 1990s ended on a distinctly sour note for Canada-Indonesia relations, the end of the decade also harboured prospects of better things to come. In May 1998 President Suharto was forced to resign in the midst of bloody student demonstrations and riots. His New Order government had been in power for over 30 years and had done much for the country’s economic development, but had been characterized by authoritarianism, brutality, nepotism and corruption. With the demise of Suharto, Indonesia embarked on a slow and sometimes painful course of political and economic reform. In the following year the country held its first parliamentary elections since 1955, and the parliament in turn elected a new president. In 2001 the government initiated a policy of decentralization, transferring to city and county authorities responsibility for health, education, agriculture and industry. Civil society began to show signs of life with a significant increase in the number of non-governmental organizations in various socio-economic sectors. In 2002 the

government moved decisively to reduce the influence of the military in political affairs by abolishing the parliamentary seats to which they had previously been entitled.<sup>22</sup> In the same year the government created the Corruption Eradication Commission, which after a very slow start began to make some headway in bringing to trial a number of powerful and prominent individuals.<sup>23</sup> And the government was able to secure a negotiated end to the long running and bloody secessionist insurrection in the province of Aceh. All in all, the image which Indonesia projected to foreign governments, corporations and publics improved immensely.

Neither the Canadian government nor the Canadian private sector remained indifferent to these new Indonesian realities. Among other things, the Canadian government designated Indonesia as one of twenty-five countries of concentration for bilateral assistance within the framework of its International Policy Statement of 2005. In the same year CIDA published a new and highly ambitious strategy document for its programme in Indonesia.<sup>24</sup> CIDA is now sponsoring more than fifty projects in areas as varied as health, education, water resources, agriculture, environmental protection and small business development. In its programming, it is placing particular emphasis on poverty alleviation, good governance and gender equality. Since the tsunami which hit Southeast Asia in December 2004, CIDA has also been involved in some twenty relief and reconstruction projects, particularly in the Indonesian provinces of Aceh where the human suffering and physical damage caused by the tsunami were particularly acute. CIDA has allocated some \$200 million dollars to these reconstruction projects. This, combined with the regular development budget, now makes Indonesia one of the top recipients of Canadian aid in the world.<sup>25</sup>

In the ten years since the fall of Suharto, Canadian companies have significantly increased their presence in the Indonesian market place. In 2007 two-way trade between the two countries approached the \$2 billion mark. And rare among Canada's trading relationships outside of North America, trade with Indonesia was remarkably balanced with exports valued at \$989 million and imports at \$993 million. It is also a well diversified trading relationship. Canadian exports include vegetable, paper and chemical products, machinery, mechanical and electrical products, base metals, and vehicles and equipment. Canadian imports include textile products, machinery, mechanical and electrical products

and plastics and rubber products. As for Canadian direct investment in Indonesia, it now stands at just over \$2 billion, making Indonesia Canada's 19<sup>th</sup> most important foreign investment destination. While much of this investment is concentrated in the resources extraction and exploitation sector, it also extends to the manufacturing sector. Thus, in the summer of 2008, the Bata Shoe Company, which has had a presence in Indonesia for decades, opened up a new state-of-the-art factory in West Java, a factory which will employ 300 Indonesian workers.<sup>26</sup>

The Canadian government has also taken some modest, but not insignificant, steps to broaden the bilateral relationship beyond the spheres of aid, trade and investment. Thus, in late 2003 the Department of Foreign Affairs sponsored and organized a highly imaginative conference in Montreal entitled "Canada and Islam in Asia". Bringing together scholars, journalists and officials from Canada and from most of the Muslim countries of South and Southeast Asia, the conference's success was due in no small measure to the long-standing relationship between the Islamic University of Indonesia and the Centre for Islamic Studies at McGill University. More recently the Canadian embassy in Djakarta has become actively involved in promoting dialogue to advance the cause of human rights in Indonesia. Working closely with local governmental and non-governmental organizations, the embassy has sponsored and participated in a long series of conferences and seminars for lawyers, parliamentarians and government officials. Among the topics covered in these gatherings was the Rome Statute of the International Criminal Court, which the Indonesian government is preparing to ratify. In 2008 the Canadian embassy also joined forces with the Norwegian embassy in sponsoring a series of seven workshops on international human rights law for members of the Indonesian armed forces. These workshops, held across the country, yet again demonstrated the Canadian government's commitment to support the Indonesian government in the implementation of its National Plan of Action for Human Rights.<sup>27</sup> And they no doubt served to raise the Canadian profile in Indonesian government circles and to enhance Canada's position on the Indonesian scene.

Over the last ten years, Indonesia's international standing has risen, as its democratic and economic credentials have solidified. It is now being actively courted by countries as diverse as the United States, Ja-

pan, China and India. The results of its parliamentary and presidential elections held in the spring and summer of 2009 hold out the prospect of continued stability and reform. And it has weathered the economic crisis of 2008-09 remarkably well, garnering tributes from the World Bank for the government's economic management.<sup>28</sup> All in all, therefore, conditions look promising for the pursuit of Canadian interests and objectives in Indonesia in the years ahead.

## **Conclusion**

Over a period of nearly sixty years the Canadian government has had to overcome numerous obstacles in its efforts to establish a constructive and productive relationship with Indonesia. Those efforts have paid off in terms of the direct economic benefits derived by Canada in the realms of trade and investment. They have also served to further Canada's broad foreign and security policy objectives related to three Indonesian realities. First, as the largest and most populous country in Southeast Asia, Indonesia plays a highly influential role in promoting regional stability and cooperation, most notably through its involvement in the Association of Southeast Asian Nations (ASEAN), and its security arm the ASEAN Regional Forum. Second, as the world's most populous Muslim country, Indonesia has been an important and distinctly moderate force in combating Islamist extremism and terrorism, internationally and within its own borders. Third, as a highly complex and poor country riven with ethno-religious divisions, Indonesia's future as a relatively stable and united entity cannot be taken for granted, and its violent break-up would send shock waves around both its region and the world. Thus, whatever the Canadian government has been able to do and will be able to do to help ensure Indonesia's peaceful political and socio-economic development, whether through diplomacy or aid programmes, will also be of benefit to Canada and its allies.

## **Notes**

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21. Grant Dawson, "In Support of Peace: Canada, the Brahimi Report and Human Security," in *Canada Among Nations 2001: The Axworthy Legacy*, eds. Fen Hampson et al. (Don Mills, Ont.: Oxford University Press, 2001), p. 303.
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## *RETHINKING THE RELATIONSHIP*

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### **TURKEY: 1949–2011**

The need to diversify Canada's international economic relations has been a leitmotif of Canadian foreign policy for over fifty years. The government of Prime Minister Diefenbaker proposed to shift fifteen per cent of Canada's trade from the United States to the United Kingdom. The government of Prime Minister Pierre Elliott Trudeau sought to create greatly enhanced economic and commercial relations with the European Economic Community and Japan as part of the "Third Option" policy. The governments of Prime Ministers Mulroney and Chrétien placed a heavy emphasis on developing new markets for Canada in the Asia-Pacific region. More recently, the government of Prime Minister Martin shifted the focus to newly emerging economies, stating that "Emerging economic powers like China, India and Brazil are the key drivers of a new era of global economic growth. As a result they will have a profound impact on Canada's long term economic future."<sup>1</sup>

After a few false starts in the case of China, the government of Prime Minister Harper devoted considerable attention to the three major emerging economies identified by its predecessor. It also sought to pursue the process of diversification through the conclusion of a number of bilateral free trade agreements, albeit some with countries of relatively limited importance to Canada, e.g. Panama and Jordan. In the aftermath of the economic and financial crisis of 2008, and the dramatic shrinkage

of the American market for Canadian exports, the Canadian government began the process of initiating free trade negotiations with India and the European Union, negotiations which promise to be of long duration.

What the Canadian government has been somewhat slower to recognize is that a number of second tier countries which have begun to make their mark on the world economic scene offer immense opportunities for Canadian exports and investment. These are what *The Economist* refers to as “huge overlooked emerging giants”, and among which it cites Turkey as “one of the world’s most dynamic economies.”<sup>2</sup> In the case of Turkey, the somnolence of the Canadian government may be explained at least in part by the fact that the two countries have historically enjoyed a relationship largely devoid of bilateral substance. Although diplomatic relations were established in the late 1940s, contacts between the two governments largely revolved around their common membership in NATO and the UN. Purely bilateral political, economic and social relations were, to say the least, anaemic. And even in the multilateral domain, the relationship got off to a rather unpromising start.

### **“Growing Up Allied”**

In the aftermath of the Second World War, Turkey was subjected to a variety of threats from the Soviet Union which wished to gain control of the Turkish Straits and to secure the return of Turkish territories that had once briefly been part of Georgia. The Soviet dictator Joseph Stalin brought considerable pressure to bear on the Turkish government to achieve these objectives and to secure for the Soviet Union a position of influence in Turkish affairs. Faced with these threats, the Turkish government turned for help to the United States, where it found an administration sympathetic to its concerns. The United States administration provided a series of security assurances to Turkey and eventually promulgated the Truman doctrine, which also covered Greece and Iran. While grateful for the declarations of support from the United States, the Turkish government, still engaged in a war of nerves with the Soviet Union, was looking for far more precise security guarantees than the United States appeared able or willing to offer on a bilateral basis. This

led the Turkish government to turn its attention to the nascent NATO and to the binding security commitments embodied in Article 5 of its founding Treaty.<sup>3</sup>

Securing admission to NATO eventually became the single most important objective of Turkish foreign policy. Not only would membership in the alliance go a long way towards allaying Turkey's immediate security concerns, it would also represent a significant step in Turkey's long term endeavour to become more closely associated with Europe and the West.<sup>4</sup> The United States saw considerable merit in Turkish membership for a variety of strategic reasons related to both the Soviet Union and the Middle East. Other allies were far more dubious, not to say recalcitrant, in their reaction to the Turkish candidacy. Among these were the United Kingdom, Holland, Belgium, Norway, Denmark and Canada.

When the Turkish Ambassador in Ottawa first approached the Department of External Affairs in August 1950 to seek Canadian support for Turkish membership in NATO, he was given a polite but non-committal response. In fact the policy community within the Canadian government harboured the most serious reservations on the matter. Their objections to Turkish membership were numerous and varied. Some were essentially geo-strategic in character. Turkey was neither a northern nor an Atlantic country and its inclusion would extend the Treaty area a further thousand miles to the east, thus greatly extending the defence commitments of the existing members. Despite the substantial armed forces which Turkey would bring to the Alliance, this could cause existing members "to lose more on the commitment roundabout than they stood to gain on the manpower swing".<sup>5</sup> Furthermore, would the admission of Turkey also elicit candidacies from countries yet further afield, such as Iran? Finally, there were concerns about the Soviet reaction to Turkish membership: "would it provoke the Kremlin into a new phase of military adventurism?"<sup>6</sup>

Other objections related more to the Canadian government's concept of the Alliance and to the way that it had been portrayed to the Canadian public. Given that the government of Ismet Inonu was hardly notable for its democratic credentials, to admit Turkey would undermine the idea of the Alliance as an association of democratic nations. It would also seriously weaken the idea of the North Atlantic Pact as the ba-

sis of a political, economic and social community of nations given the socio-economic gulf which existed between Turkey and other NATO members. Finally, there was the largely unspoken objection that Turkey did not really belong in the Alliance because it was a Muslim, rather than Christian, country. To quote the elegant phrase of John Holmes "In the often noble concept of the civilization of the North Atlantic there was a trace of the old idea of Christendom, and the Turks hardly qualified for that."<sup>7</sup>

The strength of the Canadian objections to Turkish membership in NATO is perhaps best captured in the uncharacteristically vigorous prose of Lester Pearson, who was then Secretary of State for External Affairs:

I had opposed bringing in these two Eastern Mediterranean countries [Turkey and Greece] since I believed that this made a nonsense of the North Atlantic character of our association, diminished our credibility as the foundation for an Atlantic community and gave greater validity to the criticism that we were purely and simply a military alliance.<sup>8</sup>

The Canadian government maintained its opposition to Turkish membership for over a year, even though the United Kingdom switched sides on the issue fairly early on. At the NATO Council meeting of May 1951, Canada joined forces with Holland, Belgium and Norway in rejecting the Turkish candidacy and proposing a less comprehensive Mediterranean pact to provide security guarantees to Turkey. It was only in the run-up to the Council meeting of September 1951, when it was left isolated with Norway, that Canada finally agreed to support Turkey's admission to the Alliance. In short, Canada was one of the last holdouts in opposing Turkey's achievement of its highest priority foreign policy objective.

Some of Canada's reservations regarding Turkish membership proved to be well-founded in the years to come. The three military coups which occurred in Turkey between 1960 and 1980 made it somewhat difficult for NATO to portray itself as an alliance of democratic countries confronting a totalitarian Soviet bloc. When NATO decided to mount a propaganda campaign against General Jaruzelski's seizure of power in Poland in 1981, it was somewhat inhibited in its efforts by the fact that Turkey was then under military rule. And NATO's criticisms of

human rights abuses by the Soviet Union and its allies were not exactly strengthened by Turkey's well documented record of abuses against its Kurdish and Christian minorities.

Despite an unpromising start and these ongoing issues, Canada and Turkey developed a generally positive and constructive relationship within NATO. Under NATO's Mutual Aid Programme, Canada provided Turkey with military training and equipment worth hundreds of millions of dollars, which was greatly appreciated by the Turkish armed forces. But even this highly successful programme gave rise to the odd controversy. Thus, in the mid-1960s, Turkey proposed to transfer to Pakistan a number of largely obsolete F-86 fighter aircraft which it had received from Canada and which it no longer needed. This proposal was greeted with a fair amount of outrage in Ottawa where the Canadian government had a well-established policy of not exporting military equipment to either India or Pakistan because of the ongoing politico-military confrontation between those two countries. The matter was eventually resolved to Canada's satisfaction, but not before it had given rise to some fairly acrimonious diplomatic exchanges.<sup>9</sup>

Yet another NATO related disagreement between Canada and Turkey was to come to the surface in 1992. With the end of the Cold War and of the Soviet threat to Western Europe, and in the face of severe budgetary pressures, the Canadian government decided to withdraw the land and air forces which it had stationed in Europe for the last forty years. The decision was greeted with relatively mild expressions of disappointment in a variety of NATO capitals, but it was not until a NATO ministerial meeting held in Portugal in April 1992 that it was subjected to severe criticism. On that occasion, Turkey joined forces with the United States and Holland in vigorously attacking the Canadian decision in what one Canadian diplomat called an episode of "Canada bashing".<sup>10</sup> Needless to say, the Canadian government did not take kindly to these attacks.

### **The Eternal Cyprus Crisis**

The outbreak of civil unrest and conflict in Cyprus in 1964 came to add yet another multilateral thread to the relationship between Canada and Turkey, this one involving both NATO and the UN.

For most NATO members, including Canada, the Cyprus crisis was a matter of deep concern for three main reasons. First was the often unspoken worry that the erratic Greek Cypriot leader, Archbishop Makarios, might seek the help of the Soviet Union in his confrontation with the Turk-Cypriots and with Turkey. This would provide the Soviet Union with a rare opportunity to create mischief in NATO's backyard. Second was the fear that the conflict might imperil the security of the British Sovereign Base Areas on the island, which served not only as intelligence gathering posts but as staging facilities for British nuclear bombers and American U-2 reconnaissance aircraft. Their importance to NATO's deterrence posture had been re-confirmed in studies conducted by the Canadian Departments of National Defence and External Affairs in 1960.<sup>11</sup> Third, and perhaps of greatest importance for Canada, was the threat that a war between Greece and Turkey would pose to the coherence and viability of NATO, which was the cornerstone of Canada's defence and security policy.

This last concern was repeatedly expressed by senior members of the Canadian government. Thus, in a speech at the Mansion House in London in 1967, Prime Minister Lester Pearson put it this way:

Undoubtedly a greater immediate menace to NATO is the threatened conflict between two of NATO's members, Greece and Turkey, over Cyprus. If it were not averted, then armed conflict between two NATO members, using military equipment provided by other members for other collective defence purposes, could have a fatal effect on the NATO alliance.<sup>12</sup>

The Cyprus crisis also gave rise to another concern for the Canadian government, and that related to the effectiveness of the United Nations as a body capable of playing a constructive role in promoting international peace and security. In conversation with the Greek Ambassador in Ottawa in 1964, the Secretary of State for External Affairs, Paul Martin, said "if the UN is not permitted to keep the peace in Cyprus, then we must admit to a tragic failure for the organization."<sup>13</sup> Under the circumstances, it was no surprise that the Canadian government played a highly active role in the UN's efforts to come to grips with the crisis. With the encouragement of the United States Administration, the Canadian government took the lead in the protracted and difficult ne-

gotiations which eventually led to the creation and deployment of the UN Force in Cyprus (UNFICYP), and to the dispatch of a Canadian contingent to Cyprus. The Canadian government derived a lot of credit and satisfaction from the outcome of these negotiations. In his memoirs, Paul Martin wrote “the launching of the United Nations force in Cyprus may be regarded as one of Canada’s more successful ventures in diplomacy.”<sup>14</sup>

This element of satisfaction was, however, relatively short-lived. The deployment of UNFICYP had originally been envisaged as a short-term measure to allow the parties to resolve their differences in an essentially peaceful atmosphere (its first mandate was only six months in duration). Despite the good offices of a long succession of UN mediators, the parties never did manage to reach a durable solution and UNFICYP became a permanent feature of the Cyprus landscape. Canada’s occasional involvement in diplomatic efforts to resolve the crisis and its ongoing commitment to troops to UNFICYP did little to foster the development of constructive relations with Turkey. As the dispute dragged on, successive Canadian governments displayed a degree of exasperation with the positions of both Turkey and Greece. This was particularly true when the Turkish invasion of Cyprus in 1974 made it necessary for Canada to double the size of its UNFICYP contingent.<sup>15</sup> When, after nearly 30 years of participation in the Force, the Canadian government announced its intention to withdraw its contingent, the Secretary of State for External Affairs, Barbara McDougall, was fairly blunt in her criticism of both Turkey and Greece. In her words, peacekeeping had become an end in itself and a substitute for “political leadership, honourable compromise and negotiation.”<sup>16</sup>

Despite these occasional hiccups Canada had, by the end of the 1990s, developed a reasonably amicable relationship with Turkey. But it was a relationship largely centered on common membership in NATO and on mutual interest in the Cyprus issue; it had little bilateral substance. That deficit would only begin to be filled with the remarkable transformation which Turkey experienced in the first decade of the twenty-first century.

## **The New Turkey**

During the second half of the twentieth century, Turkey had traditionally been valued in Western countries as either a bridge between West and East or, alternatively, as a barrier separating a peaceful Europe from a turbulent Middle East. Turkey's membership in NATO had also been viewed as a matter of great importance to Western security. The sheer size of its armed forces (second only to those of the United States) had throughout the Cold War obliged the Soviet Union to deploy large numbers of troops along its southern border, thus diminishing the number of troops it could concentrate on the Central Front facing Germany and France. And, of course, Turkey had provided the United States with a network of military bases and intelligence gathering stations which were of key importance to American strategic planning vis-à-vis both the Soviet Union and the Middle East. The terrorist attacks against New York and Washington in September 2001 were to add a new dimension to these perceptions and calculations. In the months following the attacks Turkey emerged as the model of the moderate Muslim country, as proof positive that Islam and democracy were not incompatible, and as a staunch ally in the struggle against Islamist extremism. Yet another, and highly contemporary, reason for the West to value Turkey.

In terms of the country itself, Turkey's process of transformation began with the parliamentary elections of 2002, which saw what is usually described as a "mildly Islamist" party, the Justice and Development Party (AK), achieve a clear majority of seats. Under the leadership of Prime Minister Recep Tayyip Erdogan, the AK government embarked on a slow but steady and thorough process of reforming the Turkish state. It launched campaigns against corruption and human rights abuses, took decisive legislative and constitutional action to curb the role of the military in politics and sought reconciliation with the Kurdish minority by extending the latter's social, cultural and linguistic rights. In the economic sphere, the government was successful in controlling the country's notorious budgetary deficits and rates of inflation. It actively encouraged privatization and the development of new manufacturing industries, and campaigned abroad to attract foreign investment, with considerable success. The result has been spectacular increases in the country's annual GDP growth rates.<sup>17</sup>



While many of these reforms are still works in progress, and while many were primarily motivated by Turkey's desire to gain access to membership of the European Union, their net effect was transformational: Turkey stopped being the object of a steady stream of adverse reports by human rights organizations and of repeated bail-out operations by the International Monetary Fund. It became a country which enjoyed far more widespread respect in the world, as evidenced by the fact that it was invited to join the G-20 group of leading world economies.

### **The Canadian Response**

The Canadian private sector was far faster off the mark than the Canadian government in recognizing these new Turkish realities. A number of major Canadian companies became active in the Turkish market as both exporters and investors. These included Bombardier, Research in Motion, SNC Lavallin and Eldorado Gold. Two of Canada's leading pension funds decided to commit some \$230 million to the creation of a partnership focussed exclusively on investment opportunities in Turkey. The Canadian Turkish Business Council took the initiative to organize seminars and conferences to familiarize Canadian companies with priority development areas in Turkey such as energy, mining, communications technology, agriculture and agri-food. And Export Development Canada began to attach much greater importance to Turkey than it had in the past. The results of all of this activity show up in the statistics. Between 1999 and 2009 the value of Canadian direct investment in Turkey increased more than twenty-fold, from \$78 million to \$1.78 billion. From 2006 to 2008 the value of Canadian exports to Turkey more than doubled from \$520 million to \$1.2 billion.<sup>18</sup> This all adds up to a far meatier and far more promising bilateral economic relationship.

The Canadian government's relations with the new Turkish government got off to what can only be described as a distinctly rocky start. Over the strong protests of the Turkish government, the Canadian House of Commons chose to commemorate the deaths of hundreds of thousands of Armenians in 1915 by adopting a so-called "Armenian genocide" resolution in April 2004. And despite further warnings through diplomatic channels, Prime Minister Harper made further references

to the “Armenian genocide” in a statement issued in April 2006. Both events were greeted with intense dismay in Ankara where successive Turkish governments have steadfastly denied that the events of 1915 constituted genocide, and have insisted that it is up to historians not foreign politicians to interpret those events. The Turkish Foreign Ministry made clear that it considered that Canadian politicians had fallen prey to the pressures of an intensely hostile Armenian-Canadian community, and that the result could only be a “stagnation in bilateral relations”.<sup>19</sup> And this is in effect what occurred, with the temporary withdrawal of the Turkish Ambassador in Ottawa and the absence of any high-level contacts between the two governments for a period of three years.

The ice was finally broken in inter-governmental relations in May 2008 with the visit to Ankara of the Canadian deputy minister of Foreign Affairs, Leonard Edwards, for wide-ranging political consultations. The pace of contacts began to pick up thereafter. The Minister of Foreign Affairs, Lawrence Cannon, met several times with his Turkish counterpart on the margins of international conferences and Defence Minister Peter MacKay paid an official visit to Turkey in October 2009, the first bilateral ministerial visit to that country since 2003. The year 2009 also saw the signature of a Double Taxation Agreement and of an Air Transport Agreement, which set the scene for the inauguration of direct flights between Toronto and Istanbul. There was also a marked increase in the exchange of parliamentary delegations between the two countries.

In 2010 Turkey began to emerge on the radar of the Canadian Minister of International Trade, Peter Van Loan. In October he gave his first speech to the Canadian Turkish Business Council in Toronto. In that speech he announced that the Canadian government had just launched exploratory talks with the government of Turkey with a view to concluding a free trade agreement between the two countries. He also announced that he would be leading a trade mission to Ankara and Istanbul from December 6 to 8, 2010.<sup>20</sup> And at the time of his actual visit to Turkey, the Minister inaugurated a new Canadian consulate in Istanbul. On this occasion, Minister Van Loan remarked:

Canada and Turkey have long-standing diplomatic relations. The opening of the new consulate in Turkey’s largest city underlines Canada’s priority of expanding bilateral ties with Turkey... The establishment

of a Canadian consulate in Istanbul will support Canadian companies eager to expand into Turkey's dynamic market. With one of the fastest economic growth rates in the world... Turkey presents great potential for Canadian companies and investors.<sup>21</sup>

With this statement, Minister Van Loan appeared to recognize, albeit somewhat belatedly, that Turkey had emerged as a potentially important economic partner for Canada. Whether the potential identified will be realized will depend, of course, on whether the Minister's mission to Turkey is followed up with the necessary hard slogging on the ground by both the Canadian government and the Canadian private sector.

## **Conclusion**

In the aftermath of the economic and financial crisis of 2008-09, the American market for Canadian exports has shrunk significantly and Canada has, for the first time in more than 30 years, recorded deficits in its international trade balance. This has spurred the Canadian government to renewed efforts to diversify Canada's international economic relations. These have produced major thrusts in the direction of China, India and Brazil, as well as the initiation of free trade negotiations with the European Union. And they are now being supplemented by increased attention to the "overlooked" emerging economies. Turkey falls into that category and has attracted ever increasing interest on the part of Canadian corporations and the Canadian government.

In the pursuit of Canada's economic interests in Turkey, it would be unwise for the Canadian government to ignore that country's geo-strategic importance to the West. Whether as an ally in the struggle against Islamist terrorism or as a conduit to the countries of the Middle East and Central Asia, Turkey is an invaluable asset to efforts to promote peace and stability in volatile regions of the world. The Canadian government should envisage initiating a broadly-based political and security dialogue with the Turkish government and with some of the country's leading think tanks. This would not only serve to support general Western interests, but would also help to create a degree of intimacy in the bilateral relationship, which might in turn be highly useful in the economic sphere.

## Notes

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3. See L.A. Delvoie, "Turkey in NATO: An Ambivalent Ally," in *Occasional Papers* no. 58 (Kingston: Queen's Centre for International Relations, 2005), pp. 2-3.
4. Y. Celik, *Contemporary Turkish Foreign Policy* (Boulder, CO: Lynne Rienner Publishers, 1999), p. 37.
5. James Eayrs, *In Defence of Canada: Growing Up Allied* (Toronto: University of Toronto Press, 1980), p. 351.
6. *Ibid.*, p. 351.
7. John Holmes, *The Shaping of Peace: Canada and the search for world order 1943-1957*, Vol. II (Toronto: University of Toronto Press, 1982), p. 236.
8. John Munro and Alex Inglis (eds.), *Mike: The Memoirs of the Right Honourable Lester B. Pearson*, Vol. II (Toronto: University of Toronto Press, 1973), p. 85.
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11. Sean Maloney, *Canada and UN Peacekeeping* (St. Catharines, Ont.: Vanwell Publishing Ltd., 2002), pp. 191-192.
12. Department of External Affairs, *Statements and Speeches*, No. 67/40 (Ottawa, 1967), p. 4.
13. Quoted in Sean Maloney, *op. cit.*, p. 213.
14. Paul Martin, *A Very Public Life*, Vol. II (Toronto: Deveau Publishers, 1985), p. 560.
15. Department of External Affairs, *Communiqués* (Ottawa, July 25, 1974).
16. Andrew Cohen, *op. cit.*, p. 264.
17. For a description and analysis of Turkey's recent achievements see "Anchors Aweigh: A Special Report on Turkey" in *The Economist*, London, October 23, 2010.
18. The trade and investment figures are drawn from Statistics Canada publications.
19. See <http://www.mfa.gov.tr/turkish---canadian-political-relations.en.mfa>.
20. Department of Foreign Affairs and International Trade(DFAIT), News Release, No. 344 (Ottawa, October 22, 2010).
21. DFAIT, News Release, No. 384 (Ottawa, December 7, 2010).

## *DIPLOMACY AT THE COAL-FACE*

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### **PAKISTAN: 1947–1998**

In this chapter I shall endeavour to provide one of many possible answers to the questions: what do heads of mission do and how do they do it? Basing the bulk of the chapter on my experience as Canadian High Commissioner to Pakistan from 1991 to 1994, I shall outline the context in which my mission took place, set forth the mandate I was given by the Canadian government, and examine some of the main activities I undertook in pursuit of that mandate. My selection of material is intended to highlight both the functional and sectoral aspects of my role as a head of mission. Functionally, I shall touch on representation, communication, advocacy, analysis, reporting and management. Sectorally, I draw my examples from the realms of politics and security, aid and development, trade and investment, narcotics control and immigration, and human rights and good governance.

### **By Way of Context**

Pakistan was one of the first countries in the Global South in which Canada took a significant and enduring interest in the years immediately following the end of the Second World War.<sup>1</sup> There were several reasons for this. Pakistan was one of the founding members of the modern

multi-racial Commonwealth, whose establishment was viewed in its time as a major Canadian foreign policy priority. Like India, Pakistan was also seen as a prototype of a wave of the near future in post-colonial Asia, one of a growing number of independent Asian countries with which Canada should seek to interact as it sought to affirm its international personality after decades of quasi-isolationism. As the Cold War took hold, Canada's interest in Pakistan intensified. On the one hand, the poverty, sectarianism, political instability and inter- and intra-state conflicts of the South Asian region were seen as providing ideal conditions for Soviet interference and the expansion of Soviet influence. On the other hand, Pakistan's generally pro-Western inclinations and orientations made it a bulwark in the effort to contain Soviet expansion in Asia, not least through Pakistan's close politico-military links to the United States and its eventual membership in CENTO and SEATO.

A combination of these considerations and of Canada's emerging commitment to fostering socio-economic development in the Global South was to lay the foundations of the bilateral relationship between Canada and Pakistan. Commonwealth linkages and the creation of the Colombo Plan in 1950 provided Canada with a framework within which to initiate its development assistance programmes in the Global South, of which Pakistan became one of the first and largest beneficiaries. The ensuing four decades were to see Canada devote nearly \$2 billion in economic and technical assistance to Pakistan. The Pakistani landscape became dotted with the products of this effort: hydro dams, irrigation schemes, a nuclear power plant, schools and training centres, hospitals and clinics. Hundreds of Canadian engineers, technicians, economists and teachers worked in Pakistan while hundreds of young Pakistanis studied in Canadian schools and universities. Canada came to enjoy an excellent reputation in Pakistan as a generous and effective contributor to the country's socio-economic development, and especially as one that did not attach political strings to its aid programme.

A relationship generally described as "very good" or "close" was not devoid of bad patches. The Canadian government did not hesitate to express its dismay when the military seized power in Pakistan in 1958 and again in 1977, and on each occasion held onto it for approximately a dozen years (i.e. Pakistan has been under military rule for half of its existence as an independent state.) In 1971 Canada expressed criticism

of the heavy handed tactics used by the Pakistani army in repressing a separatist movement in East Bengal, soon to become the state of Bangladesh. Canada has also on various occasions expressed its disappointment that its very large investment in aid to Pakistan has not been paralleled by the development of a more substantive trading relationship. But in all these instances, the Pakistani government accepted the Canadian criticism with relatively good grace, and neither the criticism nor the realities involved had any enduring negative impact on the bilateral relationship.

The only serious downturn in the relationship occurred in the mid-1970s over the question of bilateral nuclear cooperation.<sup>2</sup> In the aftermath of the Indian nuclear explosion of May 1974 the Canadian government conducted a prolonged and extensive review of its nuclear export policies and made them far more restrictive than they had been before. Several months of difficult negotiations with the Pakistani government had revealed a willingness on the part of Pakistan to accept the most stringent of safeguards on the Canadian supplied KANUPP reactor and on all nuclear materials supplied by Canada, but an unwillingness either to sign the NPT or to accept international safeguards on its entire nuclear programme. Under the terms of its new policy, the Canadian government had no choice but to terminate all of its nuclear cooperation arrangements with Pakistan, since the policy applied to all non-nuclear weapons states. The decision was viewed in Pakistan as a unilateral abrogation of three bilateral agreements which Pakistan had always honoured. In terms of public perceptions, it was portrayed as a case of Canada punishing Pakistan for the sins of India, despite the fact that Pakistan had always been far more forthcoming than India on all questions related to nuclear safeguards and had not, of course, violated its agreements with Canada by conducting a nuclear explosion. The bitterness engendered by this episode was to endure for several years in Canada-Pakistani relations, but it too was eventually overcome.

There did, however, occur in the late 1980s and early 1990s, a series of events which were external to the relationship, but which had a direct impact on it. The Soviet withdrawal from Afghanistan, the end of the Cold War and the collapse of the Soviet Union all had the effect of significantly decreasing the geo-strategic importance of Pakistan to the West. The conclusion of the major East-West arms control agreements

(INF, CFE, START) resulted in a reordering of Western arms control priorities, and pride of place being given to the issue of nuclear weapons proliferation; Pakistan and India came to stand out on the Western arms control agenda as two large and mutually hostile countries with unconstrained nuclear weapons capabilities. The triumphal march of democracy from Managua to Moscow and from Prague to Phnom Penh inspired many Western governments to once again believe that the world was politically perfectible, and to attach a much higher priority than before to human rights and good governance in their foreign policies and relations. Pakistan's record in these domains was subjected to an unprecedented depth of scrutiny, and found wanting.

These harsh new realities were first communicated to Pakistan by the United States. In October 1990, it was announced that the United States would terminate its programme of economic and security assistance to Pakistan on the grounds that Pakistan had crossed a certain threshold in its nuclear weapons programme and was unwilling to either cap or reverse it. This was a severe blow given that the value of the American aid programme was US\$500 million annually and represented roughly 25 per cent of the assistance which Pakistan received from the Western donor community. Subsequently, the United States and two of Pakistan's other major benefactors, Japan and Germany, insisted on Pakistan engaging them in sustained bilateral security dialogues in an effort to come to grips with the nuclear proliferation issue. Within the Western aid consortium for Pakistan, countries such as Germany, the Netherlands and Canada became increasingly insistent that Pakistan had to mend its ways on issues such as the rights of women and religious minorities, the imbalance between social and military spending in the state budget, institutional reform and the reduction of political corruption etc. These and other modifications in the approach taken by Western countries towards Pakistan led less to actual change or reform and more to creating a deep sense of betrayal among Pakistani elites. The image of Pakistan, the loyal ally of the West in the struggle to contain Soviet expansionism, being discarded as soon as it no longer served vital Western interests became a commonplace of editorials, conferences and government statements, and led to calls for Pakistan to reorient its foreign policy in the direction of the Islamic world.

In the case of Canada's approach to Pakistan, concerns over nuclear



proliferation, human rights and good governance were supplemented by sharp decreases in bilateral development assistance as part of the federal government's efforts to reduce its budgetary deficit and to re-direct funding to the countries of Central and Eastern Europe. Thus, in early 1991, the indicative planning figure for CIDA disbursements to Pakistan over the next five years was reduced from \$300 million to \$190 million. By 1993 it had been reduced still further to \$140 million. Given that the bilateral aid programme had for decades been the cornerstone of Canada-Pakistan relations, it was evident that a cut of nearly 55 per cent in that programme signalled a period of change and transition in the relationship in the early 1990s.

### **The Mandate**

Like most newly appointed Canadian heads of mission, I was provided with a letter of instructions from the Secretary of State for External Affairs setting out the parameters and objectives of my mission as High Commissioner to Pakistan.<sup>3</sup> When well crafted, these letters can be invaluable to the new appointee. They give him a set of considered official views on Canadian government priorities in his country of accreditation, outline a number of expectations, and leave him enough leeway to take the initiative and to act in pursuit of government objectives in the absence of more specific instructions related to particular issues or events. I found my letter of instructions a highly useful and flexible document, since I was not overburdened with specific instructions from Ottawa during my three years in Pakistan.

After dealing in generic terms with the responsibilities incumbent on all Heads of Mission, the letter from the Minister set forth the general parameters of my mission in the following terms:

Your challenge is to promote Canadian interests in a broad range of Canadian/Pakistani activities in the context of a country that has only recently returned to civilian, democratically-elected government and to the Commonwealth, and which confronts an innate conservatism in social and religious matters in addition to a difficult law and order situation.

The letter went on to outline four principal goals which I was to pursue:

- A. To support Canada's interest in encouraging moderation in Pakistan's foreign and domestic policies.
- B. To encourage regional nuclear non-proliferation, reduced defence expenditures, and the signing of the NPT by Pakistan.
- C. To promote trade and investment opportunities for Canada in Pakistan.
- D. To direct Canada's development assistance programmes into those sectors in which CIDA had determined it could have the greatest positive influence.

The main body of the letter of instructions dwelt in somewhat more detail on the tasks and activities I was to undertake in pursuit of these and other goals. These can be summarized in point form as follows:

- To monitor and assess political developments in Pakistan and Afghanistan, with particular reference to the threat of a military clash between Pakistan and India over Kashmir, tensions in the Punjab, growing lawlessness across Pakistan, and the prospects for a settlement to the civil war in Afghanistan.
- To be sensitive to the potential for a dialogue on nuclear non-proliferation and arms reduction, given the commitments by the new governments in both India and Pakistan to improving consultations on security matters.
- To report regularly on economic developments, especially those likely to have an impact on Canadian commercial activities and interests.
- To report regularly on patterns of government expenditure, especially military expenditures, as they relate to Canada's development assistance programme.
- To manage the implementation of Canada's development assistance programme for Pakistan, with annual allocations of approximately \$45 million.
- To manage the immigration programme with its family reunification, refugee and business immigration components, and to further efforts to contain immigration fraud and misrepresentation.
- To manage the consular programme, with its concomitant workload increases due to the deteriorating law and order situation.
- To maintain an adequate level of communication with the media,

- in the absence of funding for any other public affairs activities.
- To supervise the programmes and activities of the DND, RCMP and CSIS officers assigned to the mission.
  - To ensure the effective and efficient use and management of mission resources, including a staff of 175 and an annual operating budget of \$1.6 million.

The letter concluded with an injunction: “it is incumbent upon you to set an example of probity in your official and personal conduct that is beyond reproach” and to ensure that mission personnel understand that “their personal conduct must stand up to the same scrutiny as your own.”

### **Presence and Profile**

How to translate this mandate into reality? My first few weeks in Islamabad were spent, in part, in assessing my assets. What were the sources of the influence I was supposed to exercise, or to put it more crudely, what was my leverage? In terms of carrying on the day-to-day work, I had inherited from my predecessor a well managed mission, staffed with competent and dedicated personnel. This was certainly a plus. So too were Pakistani perceptions of Canada; Canada continued to be viewed by Pakistani elites as a country which had been a prominent, generous and disinterested partner in Pakistan’s socio-economic development; many Pakistanis spoke warmly of contacts or friendships with individual Canadians.<sup>4</sup> But what became readily apparent was that so many of these sentiments were expressed in the past tense. They referred largely to a thirty-year period, running roughly from the early 1950s to the early 1980s, when Canada had indeed been a major source of development assistance to Pakistan, had been clearly identified with big projects which had attracted national attention, and when Canada had ranked among Pakistan’s most important foreign partners, almost immediately after the United States, China, the Soviet Union and the United Kingdom.

The reality which confronted me in the early 1990s was quite different. In both absolute and relative terms, the value to Pakistan of Canada’s bilateral development assistance programme had declined sharply.

By 1992 the Canadian programme represented less than two per cent of the aid received by Pakistan from the Western consortium, and Canada had slipped from the major to the minor leagues within the Western donor community, behind the Netherlands. Nor had this growing gap been filled by any upsurge in Canadian trade or investment. On the political front, the Canadian government had displayed little direct interest in Pakistan; more than 20 years had elapsed since the last visit of a Canadian prime minister and more than five since the last visit of a Canadian secretary of state for external affairs. Canada had played no significant role in the major peace and security issues which had pre-occupied or were pre-occupying Pakistan, whether it was the war in Afghanistan or the insurgency in Kashmir, which was once again exacerbating relations with India. On the other hand, several other countries had begun to make their presence felt on the Pakistani scene in the 1980s, most notably Japan, Germany, France and South Korea. Within a matter of a few years these countries had come to surpass Canada (and the United Kingdom) in importance as economic partners for Pakistan.

In the absence of any indication that the Canadian government was prepared to devote more resources or give higher priority to the relationship with Pakistan, I concluded that the only way of countering the effects of Canada's declining position and retaining as much influence as possible in the pursuit of Canadian political, security and commercial objectives, was to devote much of my time and energies to a "politique de presence" aimed at raising the Canadian profile among Pakistani élites. In order to try to convince those elites that Canada was still an interested player in Pakistani affairs, my watchwords would have to be: presence, visibility and coverage. In pursuit of this, I would have to rely on my own efforts and on the support of my staff, since there were no high profile Canadian visitors on the horizon, and the High Commission's budget for public affairs and public diplomacy had recently been cut to virtually nothing, and hence there would be no visiting scholars, no film festivals and no art exhibitions to showcase Canada.

The first part of the program involved securing enhanced media coverage for what Canada was doing in Pakistan. Every new agreement signed, every new project launched, no matter how minor, became the object of a High Commission press release. In order to avoid having these press releases end up in the wastebaskets of busy editors, they

were hand carried by our Pakistani public affairs officer to known contacts in the newsrooms of a half dozen major press and broadcast outlets. I also revived a quarterly illustrated publication called “Pakistan-Canada Highlights”, issued by the High Commission and paid for out of the sole remaining budget of \$1,500 per year which we had for public affairs. I often thanked my lucky stars that printing costs in Pakistan were a bargain and that we could produce a publication with colour photos for so little money. This publication, which was widely distributed to the media as well as to key actors in government and business, featured not only short stories on Canadian activities in Pakistan, but also profiles of major Canadian industrial and technological sectors, and thus also served as a trade promotion tool.

Securing coverage for existing news was part of the battle. Creating news was the other. This was achieved in part by embarking on an active public speaking programme. I rarely, if ever, turned down an invitation to speak, and in fact engineered many. This took me to chambers of commerce and industrial federations, Rotary Clubs and civic organizations, universities and think tanks in all of Pakistan’s major cities. These appearances were always accompanied by press releases, and I usually had with me a one page summary of my speech or statement to facilitate the work of the journalists in the audience (this little device certainly paid off in terms of the amount and accuracy of the coverage received). The CIDA programme, and especially the Canada Fund for small projects, which was administered by the mission, provided other opportunities for making news. By officiating at the inauguration of numerous projects, cutting ribbons, participating in folkloric celebrations, meeting local dignitaries and making short speeches, I managed to bring home the reality of Canada to people in remote areas of Pakistan while at the same time providing stories and photo opportunities for the regional media. The coverage given these events not only underlined the presence of Canada, but also the diversity of the sectors in which it was involved: the construction of causeways, dikes and water pumping stations; the establishment of rural schools and clinics; the funding of vocational training centres and women’s entrepreneurship programmes; support for human rights monitoring organizations etc.

Since I discovered that establishing contacts with Pakistani political leaders, senior officials and businessmen was relatively easy and did

not require extensive use of the financial resources I had for representational entertaining, I decided to channel most of these resources into a few large, profile raising receptions rather than into smaller luncheons and dinners destined to develop and exploit contacts. These receptions were particularly valuable in highlighting the Canadian presence and interest in Pakistan's two major commercial and financial centres, Karachi and Lahore, where, unlike other G-7 and Western countries, we had only a minimal official presence. Our honorary consul and one-man trade office in Karachi did great work for Canada, but could not compete with the full blown diplomatic and consular establishments maintained by most of our major competitors. Among the guests at these receptions were always a good number of journalists. These latter unfailingly attended in the knowledge that there would be free food and drink, that there would be photo-opportunities and that they could rely on being able to conduct an interview with me either during or after the reception. The coverage achieved was usually well worth the effort.

In my efforts to sustain and raise the Canadian profile, I was greatly aided by my wife. Not long after our arrival in Pakistan she became president of one of the most active and best known charitable organizations in Islamabad. At the head of a group of five hundred women, half Pakistani - half expatriate, she mounted a long series of imaginative and highly successful fundraising activities, several of which were held on the grounds of the Canadian High Commission. These not only highlighted the caring side of the Canadian presence in Pakistan within Islamabad society, but also attracted considerable positive media attention. My wife was interviewed by the press not only on her charitable work, but was also asked to comment on the role of women in modern societies, and was eventually featured on the cover of a national women's magazine. In short, she got for Canada the kind of coverage that money couldn't buy.

While it is impossible to measure with precision the effect of all of these profile-raising activities, I am convinced that they were helpful in giving additional weight to our interventions on issues in the realms of politics and security, to which I shall now turn.

## **Politics and Security**

The foreign policy questions of primary interest to Canada in Pakistan and in South Asia generally were directly inter-related: regional stability, the proliferation of nuclear weapons, the confrontational relationship between Pakistan and India, and the long-standing Kashmir dispute. On these and on related issues, my officers and I reported regularly to Ottawa and made periodic demarches to the Foreign Ministry, whether on our own initiative or on instructions. The demarches on regional security counselled moderation, compromise and the pursuit of peaceful, negotiated solutions; these were usually greeted with assurances of complete Pakistani agreement and statements of regret that the fault for whatever was going wrong in Indo-Pakistani relations lay squarely in New Delhi. Demarches on nuclear proliferation advocated the untrammelled joys of renouncing nuclear weapons and of signing the NPT; the response here too was eminently predictable - Pakistan would adhere to the NPT as soon as India did so, but could not renounce acquiring a nuclear weapons capability as long as an India, with proven hostile intentions against Pakistan, continued to possess one. Indeed, neither the demarches nor the response had varied much in fifteen years. These demarches, taken in conjunction with those made by other Western countries, may have served a useful moderating purpose in reminding the Pakistani authorities of our concerns, and of the fact that their actions, as well as those of India, were under constant outside scrutiny. They did not, however, seem to have any noticeable effects on the fundamentals of the situation.

The best hope of altering those fundamentals would have been a well coordinated multilateral approach, bringing together the countries with the most interests and the most clout in South Asia.<sup>5</sup> There was, however, no sign of that on the horizon. A second best would have been a series of well coordinated bilateral approaches, aimed at engaging both Pakistan and India in sustained, in-depth dialogues on security issues. During my time in Pakistan, the United States, Japan and Germany, as well as to a lesser extent France and the United Kingdom, initiated such dialogues with the Pakistani government, and I recommend that Canada should do the same. Ottawa, however, seemed reluctant to make the commitments required in the form of a new policy effort, and of time

and energy of already hard pressed senior officials and military officers, who would have had to visit Pakistan at fairly regular intervals. Under the circumstances, I fell back on my own devices and undertook a series of informal conversations with Pakistani ministers on security issues. These were ministers whom I had got to know reasonably well, who often had no responsibilities for foreign policy, but who were politically influential and carried more weight in the government than did the Foreign Minister.

In these conversations with Pakistani ministers, I usually put heavy emphasis on the significant mutual advantages which Pakistan and India could derive from a resolution of their differences, particularly the economic advantages in the form of decreased military expenditures and of the establishment of a normal bilateral trading relationship between the two countries. I also outlined the merits of the building block approach to conflict resolution which had demonstrated its merits in helping to end the Cold War between East and West - political dialogue, exchanges of people and ideas, confidence and security building measures, conventional and nuclear arms control agreements etc. I also drew heavily on lessons learned from the Middle East peace process, which had made remarkable progress and which had brought to the negotiating table countries such as Israel and Syria whose mutual antipathies were certainly no less strong than those which existed between Pakistan and India.

In general, I found that my interlocutors were prepared to discuss these points pragmatically and dispassionately, and were open to arguments and evidence drawn from outside the immediate confines of South Asia. But I almost invariably ran up against counter-arguments which had little to do with the foreign and security policy issues themselves and everything to do with domestic political realities. In their essentials they ran as follows: a coalition government dependent on the support of small parties for its majority in parliament could not afford to make concessions on either the Kashmir or the nuclear weapons questions, since public opinion would not tolerate it and the government would be immediately brought down; furthermore, any political leader who were to do so would put his life in danger, especially in the absence of evidence of Indian willingness to make similar or larger concessions.<sup>6</sup>



My rejoinders, to the effect that there was indeed a need for courageous political leadership and that in every process of accommodation somebody had to take the first step, left them largely unmoved as they dwelt on their own and the country's immediate political future and fortunes.

### **Human Rights and Good Governance**

As had so often been the case in the past, Pakistan's domestic politics were highly unstable in the early 1990s. The coalition government in power when I arrived in Islamabad was carrying out an ambitious programme of economic reform, deregulation and privatization, but was politically handicapped by its dependence on the support of Islamist parties for its majority in Parliament and was under constant attack from opposition forces which questioned its legitimacy and did not hesitate to mount strikes and demonstrations to make their points. This government was to collapse in 1993, a year in which the office of prime minister changed hands four times, with the ever-present risk that the army might once again feel the need to take power in an effort to avoid political disintegration. If these circumstances were not particularly propitious for advancing Canada's foreign and security policy agenda in Pakistan, they were even less favourable to the promotion of our objectives in the field of human rights and good governance. The governments in power between 1991 and 1994 were not ones likely to take bold initiatives in this area, and certainly not initiatives likely to offend either the Islamist parties or the army. This did not, however, stop us from trying, with mixed results.

I personally focussed in on what I regarded as one of the most deplorable features of the human rights scene in Pakistan, the so-called Hudood Ordinances. These were a series of decrees which had been adopted in the mid-1980s by the late president and dictator, General Zia Ul Haq, in an effort to shore up his position with an appeal to Islamic legitimacy. These Ordinances not only prescribed harsh "Islamic" penalties for a variety of offences (stoning to death, the severing of limbs), but were also highly discriminatory against women in all cases involving rape, adultery and pre-marital sex. What made the ordinances stand out, in my mind, was that as opposed to so many other forms of

discrimination against women which existed in Pakistan, these were not merely the result of custom or practice, but were enshrined in law. In that, they resembled the apartheid laws in South Africa which had actually legislated racial discrimination. In my conversations with selected Pakistani political leaders, I pointed to the discriminatory nature of the Ordinances and to the fact that their existence on the statute books had a highly detrimental effect on Pakistan's image abroad, particularly in the Western donor community. I especially brought up these points in a series of conversations I had with Benazir Bhutto while she was still leader of the Opposition. I was reasonably confident that as a Western-educated woman she would not need much persuading and that she would agree that the revocation of the Ordinances would do much to repair Pakistan's image in Western circles. In that I was right, but when the time came for her to become prime minister again in October 1993 she did not feel politically strong enough vis-à-vis the Islamists to address the issue directly. The most she attempted was the creation of a series of "women's police stations" in major cities so as to spare women the indignities and sexual abuse to which they were so regularly subjected while in detention in conventional police stations.

Another thrust of my activities in the field of human rights arose out of a decision of the government to issue new national identity cards to all Pakistanis. Under pressure from the Islamists, the Cabinet rather hastily and reluctantly agreed that these cards should be colour-coded on the basis of the religious affiliation of the holder. This caused great consternation among Pakistan's main religious minorities - Christians, Hindus and Parsis - who saw in the decision itself a form of discrimination, and who feared that such an obvious identification of their status would expose them to repeated acts of discrimination in their daily lives. At the instigation of the Papal Nuncio, representing the interests of the Christian minority, three or four other Western heads of mission and I mounted a very discrete but relentless campaign with senior Pakistani ministers in an effort to get them to alter their decision. For my part, I pointed out to my interlocutors that, beyond the merits of the issue itself, the Pakistani government should also be conscious of what its action could do to Pakistan's image in the West, where memories of Nazi Germany's use of yellow stars were still fresh. In the end, our efforts paid off. While reluctant to publicly rescind its decision, thus

losing face and incurring the wrath of the Islamists, the Cabinet decided simply not to implement it, and to continue issuing identity cards in the normal way. A small victory for preventive diplomacy.

Given regional and domestic political realities, there was little that we or other outsiders could do to effectively address the central governance issue which struck any observer of the Pakistani scene: the enormous imbalance which existed in the budgets allocated to the defense sector and to the social sector. While ritually repeating Canadian concerns on this issue I had little hope that they would lead to change and, unfortunately, I was not proved wrong. I did, however, seize the opportunity presented by the general election of 1993 to take a few modest initiatives in the realm of good governance. On the advice of one of my CIDA officers, I allocated monies from our Canada Fund and our Women in Development Fund to a number of Pakistani non-governmental organizations (NGOs) which were endeavouring to educate women in their political rights, to explain the electoral system to them and to encourage them to vote. We also provided funding to one of Pakistan's major human rights organizations which was setting up monitoring teams to guard against electoral fraud on the day of the vote. On instructions from Ottawa, I also lobbied leading figures in the two main political parties and in the state electoral commission to persuade them to accept the dispatch of a team of Commonwealth observers to monitor the election.<sup>7</sup> Once the team reached Pakistan, my Australian colleague and I took the lead in providing it with briefings and support, and I know that we breathed a collective sigh of relief when the Commonwealth observers submitted an official report declaring the elections to have been "free and fair".

### **The Narcotics Trade and Illegal Immigration**

I should now like to turn briefly to two law enforcement issues which came to the fore in Canada-Pakistan relations in the early 1990s: the steady rise in the volume of the illegal narcotics traffic and a sudden surge in the number of illegal immigrants.

According to RCMP statistics, nearly one third of the heroin imported into Canada in 1990 either originated in, or had transited through,

Pakistan. The “Golden Crescent” of Pakistan, Afghanistan and Iran was beginning to rival the “Golden Triangle” of Southeast Asia as a source of illegal narcotics on the market in Canada. In trying to combat this trade, we adopted two approaches vis-à-vis the Pakistani authorities. On the one hand, we progressively expanded cooperation between the RCMP and the Pakistan Narcotics Control Board (PNCB). This resulted not only in the exchange of intelligence through liaison channels, but also in cooperative operations which resulted in numerous arrests and the seizure of significant quantities of narcotics in Canada. On the other hand, we sought to exert gentle but constant pressure on the Pakistani authorities to reform their anti-narcotics legislation and to enforce it more widely and more effectively. Whether bilaterally, or together with other representatives of the so-called “Dublin Group” of Western countries, I met on numerous occasions with the Minister of Narcotics Control or the Minister of the Interior to drive home our concerns. These efforts had a modest pay-back in the form of new and improved legislation, but my colleagues and I had few illusions about the effectiveness of our lobbying in terms of actually stamping out the drugs trade. There were three reasons for this. First, the “drug lords” were often well connected to politicians and members of parliament. Second, the law enforcement agencies were ill-equipped to deal with the sophisticated operations and fire power of the traffickers. Third, much of the production and processing of narcotics took place in mountainous tribal regions along the Pakistan-Afghanistan border, regions which the Pakistani authorities, like the British and Russians before them, were unable to subdue or control.

My work on the narcotics issue in Pakistan gave rise to one of the more curious episodes in my diplomatic career. One fine morning early in 1992, the Islamabad newspapers were full of stories about an operation mounted in Baluchistan by the PNCB and a force of border troops which had resulted in the seizure of 23 tons of hashish and three tons of heroin. This was truly a remarkable coup (for purposes of comparison, the RCMP had seized a total of seven pounds of heroin in all of Canada in the year 1990) At the instigation of our police liaison officers, both the British High Commissioner and I sent letters to the Minister of Narcotics Control congratulating him on this highly successful operation and suggesting that he might want to envisage the public destruction of

these drugs as a way of impressing on both domestic and international public opinion his government's seriousness of purpose in combatting the trade (our unspoken concern was that these drugs might otherwise filter out the back doors of ramshackle government warehouses, guarded by underpaid and vulnerable police officers). About two weeks later, I received a most unusual invitation card which read: "The Federal Minister for Narcotics Control requests the pleasure of the company of H.E. Mr. Louis Delvoie to witness the destruction of one of the World's biggest seizure of narcotic Drugs taking place at Turbat, Baluchistan."

I naturally accepted the invitation and on the appointed day I was one of six Western heads of mission to board a small charter aircraft for a remote location in the stony desert of Baluchistan. En route, my Norwegian colleague was seen to be busy working with a calculator, and by journey's end he informed us that the street value of the drugs we were to see destroyed amounted to more than the annual GNP of Norway. On arrival on site, we were seated under a marquee tent set up on a hillock, about 100 feet away from the largest bonfire I had ever seen. Policemen were busily dousing it with kerosene to ensure a spectacular show not only for the dignitaries but also for the Pakistani, American, British, French and Canadian media in attendance.<sup>8</sup> And when the Minister with all due solemnity put the first torch to the bonfire, the show was sufficiently spectacular to make us all think for a moment about our life insurance coverage. But this concern was largely overshadowed by a sense of satisfaction that at least these drugs would not make their way onto the streets of Europe and North America, and subsequently that we had given the Minister a politically attractive idea to which he resorted several times in the ensuing months with lesser drug seizures.

Although perhaps less serious in its effects than the narcotics trade, immigration fraud was also an ongoing problem for Canada in Pakistan. It was generally estimated that forty percent of the immigration application files in the High Commission contained forged or otherwise falsified documents, and that on average between 1,000 and 1,100 people from Pakistan made their way illegally into Canada each year. This problem required our immigration officers to be ever vigilant and thorough in their investigations of prospective immigrants and visitors. The question took on alarming proportions in 1992, when reports from the immigration authorities in Ottawa indicated a surge in the number

of Pakistanis entering Canada with forged documents or simply without any documents at all. By the end of the year it became apparent that the number of identified Pakistani illegals had risen to over 4,500, and that they in fact exceeded the number of those who had immigrated legally.

It did not take us long to identify the source of the problem. It turned out that members of the Pakistani government, as a form of political patronage, had secured jobs for particularly venal individuals in the middle management of both the Federal Investigation Agency (FIA) and Pakistan International Airways (PIA). In exchange for certain considerations, these officials were prepared to have a blind eye turned to the forged documents or lack of documents of passengers boarding PIA flights to North America. Our response to this situation was two-pronged. First, we obtained from Ottawa the services of a resident Immigration Control Officer who made random checks of passengers boarding flights for North America both in Lahore and Karachi, and who worked in tandem with counterparts at the American embassy to secure the maximum coverage possible. Second, I made a series of representations to Pakistani ministers and senior officials in the course of which I made it clear that, if remedial action were not taken, it would be open to the Canadian government either to oblige PIA to post a multi-million dollar performance bond or indeed to cancel PIA's landing rights in Canada altogether. I also stressed the further damage which would be done to Pakistan's reputation in Western countries if this problem attracted any more public attention, particularly at a time when Pakistan was seeking to fend off American threats to label it a country sponsoring state-terrorism. My Pakistani interlocutors seemed susceptible to the merits of these arguments, and in 1993 the number of Pakistani illegals entering Canada dropped by more than 75 per cent, back to the more normal figure of about 1,000.

### **Aid and Trade**

The CIDA aid programme represented the single most important managerial challenge which I had to face during my time in Pakistan. Although dwindling in budgetary terms, it was changing in its nature and orientation. Whereas before it had focussed on a half dozen large in-

rastructure projects at a time, it was now dispersed over two dozen smaller projects related to capacity building and human resources development. Overseeing this transition from a hardware to a software approach took up much of my time in order to ensure that it took place in a manner consistent with Canadian foreign and aid policy priorities, and at the same time met genuine Pakistani needs. While the CIDA staff of the High Commission handled the day-to-day management of existing projects, I was often heavily involved in the identification, selection and launching of new projects. I was also often required to intervene at senior levels in the Pakistani government when projects ran into bureaucratic roadblocks.

While I am convinced that most of our CIDA projects were of direct benefit to Pakistan, they also occasionally produced unexpected spinoff dividends for Canada. Let me illustrate this point with an example. CIDA was the first foreign aid agency to offer assistance to the Pakistani government as it slowly came to grips with issues of environmental degradation and protection in the mid to late 1980s. Over a period of five years, CIDA provided financial and technical support in the development and elaboration of Pakistan's national conservation plan, which was launched with great fanfare not long after my arrival in Islamabad. As a result of this programme, the High Commission enjoyed very close and cordial relations with both the Minister and the Ministry of the Environment.

When the time came for me to lobby the Pakistani government in support of objectives which the Canadian government would be pursuing at the 1992 Rio summit on the environment, I already had an important friend at court in the person of the Minister of the Environment, whom I had got to know very well. This was doubly important because not only would he be the effective head of the Pakistani delegation at Rio, he would also be chairing the caucuses of the G-77 group of countries, of which Pakistan held the presidency that year. I sought the Minister's support for two Canadian initiatives in particular, one dealing with the protection of forests and one designed to promote the role of coastal states in the protection of fisheries and oceans. On the first, the Minister was quite frank in telling me that we could not expect much support, since Pakistan had few forests, and within the G-77 would be following the lead of countries such as Malaysia which had far more at stake in

the issue. On the other hand, he did promise his complete support on the fisheries and oceans question, and when the time came, he delivered.

Some of the new directions in which we were taking the CIDA programme also produced genuine partnerships between Pakistani and Canadian institutions, from which both benefitted greatly. I am thinking in particular of the linkages established between the Lahore University of Management Sciences and the Faculty of Business Administration of McGill University, or between the Aga Khan University of Karachi and the Faculty of Health Sciences of McMaster University. These ventures frequently involved relatively novel ideas, and precisely for this reason often ran into obstacles in both the Canadian and Pakistani bureaucracies. I was frequently required to intervene personally to help overcome these obstacles and to bring these projects to fruition.

If there was some considerable personal and professional satisfaction to be derived from the direction of the aid programme, the same could not be said of the trade programme. Despite my best efforts and those of the officers in the Commercial Section of the High Commission, the value of Canadian exports to Pakistan stagnated at or below the \$100 million mark annually throughout my time in Pakistan. I certainly did not discover any magic formula which had escaped my predecessors in trying to jump-start our export performance. It seemed to me that the root causes of the problems were twofold. First, Canada was not part of the mental framework of the Pakistani business community when it came time to think of sources of imported industrial goods or technology, unlike countries such as the United States, Japan, Germany, France and the United Kingdom. Rather, Canada was perceived primarily as an aid giver and as a source of raw materials and agricultural products. Secondly, most Canadian companies willing to venture beyond North America and Europe were content to go no farther than the rich markets of the Far East and the Middle East, without completing the global loop by investing time and money in the South Asian market whose predominant image was that of poverty, political instability and stultifying government regulation of the economy. An ancillary problem was that we did not have the resources to match the trade promotion efforts of most of our major competitors in Pakistan's two largest commercial centres, Karachi and Lahore.

In trying to address and overcome some of these problems, the High



Commission not only carried out all of the normal trade promotion functions on the ground, but also systematically reported back to Canada on changes occurring in the Pakistani marketplace as a result of the government's programme of economic deregulation and privatization. For my part, I seized every opportunity to appear before business audiences to give speeches emphasizing Canada's industrial and technological capabilities in areas of particular interest to Pakistan, especially telecommunications, oil and gas exploration and processing, and thermal and hydro power generation. I called frequently on the heads of government agencies and on the presidents of private sector corporations to explore possibilities for joint ventures or to promote bids submitted by Canadian companies for the supply of goods and services. When commercial projects seemed in need of some political impetus, I did not hesitate to call on the relevant minister or deputy minister in the company of the executives of the Canadian firm concerned.

Our efforts in the commercial field did achieve a few encouraging results. Thus the High Commission was instrumental in securing the first ever commercial sale of Canadian wheat to Pakistan, a contract worth \$20 million. By dint of hard work and high level interventions, my officers and I were able to salvage for Canada a \$10 million per year contract for the sale of coal to the Pakistan Steel Corporation after the Canadian company which had originally obtained the contract became paralyzed by strikes and lock-outs, and eventually declared bankruptcy. Similarly, we were able to assist Canadian companies in concluding initial contracts with the soon to be privatized natural gas and telecommunications authorities, contracts which held out the promise of additional business in years to come. That said, however, we certainly did not achieve any major breakthrough in significantly increasing the volume and value of Canadian exports to Pakistan.

### **Afghanistan**

Let me now turn to one of the more unusual aspects of my mission to Pakistan, my responsibility for covering Afghan affairs. This was no normal non-resident accreditation to a second country, since Canada had suspended diplomatic relations with Afghanistan at the time of the

Soviet invasion of 1979 and had not resumed them due to the political instability and the absence of any effective government control which continued to characterize the situation in Afghanistan. Not only did I have no official status in Afghanistan, I was not even allowed to visit the country or have any contact with the representatives of what passed for an Afghan government. Although three of my officers were allowed to make very brief visits to Afghanistan under UN auspices, we were largely dependent on sources in Pakistan for our analyses and assessments of what was taking place in Afghanistan. These sources included the representations of international agencies working in Afghanistan, the diplomatic representatives of countries which had re-established relations with Afghanistan, and above all the leaders of Afghan political groups and guerilla movements who still maintained headquarters in the northern Pakistani city of Peshawar. All of these sources were highly useful and helpful, and permitted us to sustain an ongoing programme of reporting to Ottawa on the unfolding of the Afghan civil war and on the various initiatives taken to bring it to an end, but they were no substitute for first-hand knowledge of the situation on the ground. Keyhole diplomacy has its limits, and more than its fair share of frustrations, as one often seeks to reconcile diametrically opposed second-hand accounts of events.

The Afghan civil war varied in intensity during my three years in Pakistan, and parts of the country enjoyed periods of relative peace, but the destruction and loss of life were never-ending. At its violent worst, it eclipsed anything seen in Bosnia or Somalia in terms of the numbers of dead, wounded and displaced. Out of a total Afghan population of 15 million, there were 3 million refugees in Pakistan, two million refugees in Iran and 1 million displaced persons within the country itself. However, after the Soviet military withdrawal in 1989, Afghanistan largely disappeared from the world's TV screens, and its ranking on the list of priorities of the international community fell dramatically. The two major powers which might have been able to exercise enough political and military influence to bring the civil war to an end, the United States and Russia, were well content to be out of the Afghan quagmire and showed no inclination to re-enter it.<sup>9</sup> It was thus left to the UN and to the regional powers (Pakistan, Iran and Saudi Arabia) to try to devise solutions to Afghanistan's internal conflicts. Special representatives of

the UN Secretary General made valiant attempts to formulate and sell settlement plans, but these never led anywhere because they did not enjoy the full and active backing of the major powers, and because of the obduracy of the leaders of the Afghan factions. The regional powers were no more successful, largely because their special ties to one or other of the Afghan factions made them less than impartial intermediaries. For a country like Canada, which had never been more than a marginal player in Afghan affairs, there was little to be done on the politico-security front. The best we could hope to do was to help attenuate the suffering engendered by the conflict through the provision of humanitarian and reconstruction assistance, and it was on that that we concentrated our efforts.

Between 1991 and 1994, CIDA allocated from 20 to 24 million dollars each year for aid to Afghanistan and to the Afghan refugees in Pakistan. This did not, however, represent a normal or stable programme commitment, due to the ever-changing situations prevailing in Afghanistan and in the refugee camps. Each year it was necessary for the High Commission in Islamabad to formulate policy recommendations to CIDA headquarters on the level and allocation of budgets. This in turn meant assessing not only the changing needs of the Afghans, but also the effectiveness and relevance of the actions being undertaken by the various international agencies through which most of the Canadian funds would be channelled. For me personally, this involved maintaining contacts with the heads of the offices of numerous international governmental and non-governmental organizations (e.g. UNHCR, UNICEF, ICRC, OSGAP, UNOCHA, MSF etc.), each of whom was expert at pleading the special merits of his or her programme. It sometimes also proved difficult to prod CIDA to accept the merits of non-traditional forms of aid. Thus it took time and effort on my part and on the part of the Canadian Forces Attaché to get CIDA to overcome its ingrained reluctance to be involved in anything having a military flavour and to provide funds to the UN organization carrying out mine clearing operations and training in Afghanistan.<sup>10</sup>

In addition to the CIDA funds channelled through international agencies, we also had a Canada Fund for Afghanistan of \$1 million a year which was administered by the mission under my direction. This Fund permitted us to intervene directly in assisting many of those whose lives

had been shattered by more than a decade of war in Afghanistan. Thus, we supported programmes to provide literacy and vocational training to war widows and to orphaned young women, and to provide rehabilitation services and trades training to war amputees. These programmes and others were particularly welcome to the proud Afghans, men and women, who resented their status as helpless refugees dependent on international charity and who wanted to be able once again to earn their own living. Toward the end of my stay in Pakistan, we were able to begin to funnel funds to reconstruction projects in the pacified areas of Afghanistan (e.g. the rebuilding of rural schools and clinics, the repair of dikes, irrigation canals and roadways) while recognizing that this was only a minuscule contribution to the enormous reconstruction effort which would be necessary if and when the civil war came to an end.

I derived particular satisfaction from the assistance which Canada provided to the Afghans and from my involvement in it. In the midst of all of the triumphalist rhetoric about how the West had won the Cold War, it behoved us to remember the heavy price paid by many peoples in the Global South during the course of that struggle, not least the Afghans.

## **Conclusion**

I have dwelt primarily on the external manifestations of my task in Pakistan rather than on my responsibilities as the manager of the High Commission. This is because those responsibilities are largely generic, not peculiar to any particular country or set of circumstances. On the one hand, all heads of mission must coordinate the programmes and operations of the mission to ensure that they meet government objectives and are, to the greatest extent possible, mutually supportive. For example, the economic analysis and reporting function must not only serve the needs of the politico-economic community in Ottawa, but must also be supportive of the trade and aid programmes. On the other hand, all heads of mission must manage to best effect, and in conformity with law, the human, financial, technological and physical resources of the mission. Always something of a challenge in countries in the Global South, this responsibility poses particular difficulties in a time of bud-

getary austerity and cutbacks. For example, reducing the staff of the High Commission in Islamabad from 175 to 125 between 1991 and 1994 involved some gut-wrenching decisions to lay off Pakistani employees with 20 or more years of service to the Canadian government.<sup>11</sup> And, of course, after a certain point, the much touted nostrum about “doing more with less” must give way to the professionally disquieting reality that one can only do less with less, or at the very least, do it less well.

While some personnel and financial cutbacks can be compensated for through technological innovation and change, they are in my experience the exception rather than the rule. In a country like Pakistan, it is only people on the ground who can properly assess local conditions and identify the “pressure points” where influence can most usefully be brought to bear in pursuit of national interests. It is only people interacting with people who stand any prospect of exercising that influence to maximum effect. And finally, among diplomats, it is only ambassadors and high commissioners with their special status (and their often vain-glorious titles) who can play a significant role in stamping their sending country’s imprint on the political map of the host country and in gaining access to the real holders of political, financial and commercial decision-making power.

## Notes

1. The literature dealing with Canada’s relations with Pakistan is not abundant. Now over 20 years old is Barrie M. Morrison, “Canada and South Asia,” in *Canada and the Third World*, eds. P. Lyon and T. Ismael (Toronto: Macmillan, 1976), pp. 1-59. Of somewhat more recent vintage is W.M. Dobell, “Canadian Relations with South Asia,” in *From Mackenzie King to Pierre Trudeau: Forty Years of Canadian Diplomacy*, ed. P. Paincahud (Québec: Presses de l’Université Laval, 1989), pp. 349-373. For a Pakistani perspective, see M.R. Azmi, *Pakistan-Canada Relations 1947-1982* (Islamabad: Qaid-I-Azam University, 1982).
2. See M.R. Azmi, *Pakistan-Canada Relations*, pp. 95-116. See also L.A. Delvoie, *Hesitant Engagement: Canada and South Asian Security* (Kingston: Queen’s Centre for International Relations, 1995), pp. 29-34.
3. This letter signed by the Secretary of State for External Affairs, Barbara McDougall, was dated November 22, 1991 and reached me by diplomatic bag nearly two weeks later, i.e. three months after my arrival in Pakistan.

4. When I presented my credentials to the President of Pakistan, he spoke in the fondest terms of the Canadian engineers and technicians who had arrived in his home province to build the Warsak Dam in the 1950s; they were, he said, the first foreigners he had ever met and they had made an indelible impression on him.
5. See L.A. Delvoie, *Hesitant Engagement*, pp. 37-44.
6. One Pakistani minister made this case to me in particularly stark terms. While Pakistanis disagreed among themselves about virtually everything, he said, there was an undeniable national consensus on one point: if India had nuclear weapons, Pakistan should have them also. In his words, even totally illiterate peasants who could not name five foreign countries subscribed wholeheartedly to this consensus. The leader who unilaterally gave up Pakistan's nuclear weapons option would be dead within a matter of days! In a country in which one president and two prime ministers had met violent ends in a 40-year period, this claim did not strike me as particularly exaggerated.
7. Suggesting to the authorities of another country that they should accept international monitoring of their elections is a delicate matter for it tacitly calls into question their competence or integrity, or both. I can well recall the sense of wounded national pride evident when I first broached this topic with the then Chairman of Pakistan's electoral commission. When toward the end of our conversation he very reluctantly assured me that his commission would give its full cooperation to the Commonwealth observers, he asked me only half in jest whether Pakistanis would be invited to monitor Canada's next general election.
8. Ever the prudent diplomats, my American and British colleagues and I wanted to be sure that we were not going to be unwitting spectators at some elaborate piece of theatre. Shortly before the bonfire was lit, our drug liaison officers approached it more or less discretely with their testing kits to make sure that what we were about to see burned was indeed heroin and hashish. It was, although no one could vouch for the precise quantities.
9. As one noted American scholar put it very succinctly "Nowhere were hopes for peace and order at the end of the Cold War mocked more cruelly than in Afghanistan." See Barnett Rubin, *The Search for Peace in Afghanistan: From Buffer State to Failed State* (New Haven: Yale University Press, 1995), p. 6.
10. Readers will note that this is the only reference to military affairs in this chapter. This is largely out of deference to the level of security classification at which most military information is pegged. The same holds true of information dealing with security intelligence and terrorism.
11. Some readers may be surprised by the large size of the High Commission staff. In Pakistan, as in many countries in the Global South, the staff includes many low-paid employees whose services would be secured on a contract basis in industrialized countries, e.g. guards, gardeners, cleaners, repair and maintenance workers.

## *About the Author*

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Louis A. Delvoie was educated at Loyola College, the University of Toronto, McGill University and the National Defence College of Canada. He joined the Canadian Foreign Service in 1965. Between 1965 and 1980 he worked in Lebanon, Egypt, Algeria, Belgium and Yugoslavia, as well as in Ottawa. He subsequently served abroad as Ambassador to Algeria, Deputy High Commissioner to the United Kingdom and High Commissioner to Pakistan. In Ottawa, he was Director General of the Bureau of International Security and Arms Control in the Department of External Affairs and Assistant Deputy Minister for Policy in the Department of National Defence. He retired from the Foreign Service in 1995.

From 1995 to 2002, he was an adjunct professor of international relations at Queen's University and at Royal Military College. He is now a Fellow in the Centre for International and Defence Policy at Queen's University and a lecturer for Later Life Learning in Kingston and Belleville. He is a frequent media commentator on Middle Eastern and South Asian affairs. His numerous articles on international relations have appeared in publications in Canada, Britain, Germany, India and Pakistan.

He has been married to his wife Frances for over 40 years and they have one daughter and two granddaughters.

