The Effect of the World Crisis on Canada’s Involvement in Africa

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The global nature of the crisis of capitalism in the 1980s has forced the Canadian state and Canadian industry to make changes, not only at home, but also at the international level. In terms of Canada’s relations with the Third World, adjustment has taken at least two forms: active participation in an intensified competition for markets, and
restructuring to come to terms with the new international division of labour. This study is concerned with the effect that the crisis has had on the nature of Canada's involvement in Africa. In particular, it will show how the drive for exports and the general imperative for capital accumulation in a recession have intensified a trend that has effectively subordinated all other interests in foreign policy to relatively short-term economic interests. However, the analysis does not provide support for the view that economic determinism is an adequate mode for conceptualizing and explaining state policy. Rather, it suggests that the theory of relative autonomy remains more fruitful. In this case, the importance of economic factors is related to an historical context: state policy naturally has a different emphasis in times of economic hardship than it does in boom periods.

While continuing economic difficulties in Canada have strengthened the process whereby short-term economic interests have come to play a central role in foreign policy, one should not ignore the fact that a deeply entrenched ideological commitment has always existed in which political and bureaucratic officials have understood Canada's national interest as the promotion of Canadian capitalism. In the past, however, this long-term objective encompassed a range of other interests, symbolized most clearly by the Pearsonian era, with its inflated vision of Canada's role and influence abroad and its comparatively liberal reputation. Since that time, there has been a steady narrowing of this perspective. In 1970, the federal government's White Paper on Canadian Foreign Policy stated quite explicitly that Canadian self-interest was to become a stronger consideration in the determination of Canadian foreign policy. Throughout the 1970s, the definition of "self-interest" has increasingly become equated with economic self-interest, while political interests and considerations of social justice have tended to get even shorter shrift than they have in the past. As Cranford Pratt observed recently:

The emergence of a single-minded predisposition to advance Canadian economic interests, narrowly defined, is widely acknowledged as a most important feature in the development of Canadian foreign policy in the last decade-and-a-half.¹

As noted earlier, the analysis offered in this study might encourage some to return to a vulgar determinism and to aban-
don the concept of the relative autonomy of the state. The former approach directly links dominant class interests to the specifics of state policy and suggests that this relationship is definitional for capitalist society. The theory of relative autonomy, by contrast, views the state as an organizer of an unstable equilibrium of compromises, reflecting the strengths and weaknesses of different class forces within capitalist society. Therefore, while the long-term interests of the capitalist system as a whole would be served by the state, it is quite possible (in this view) that policies will be adopted that will not be in the direct short-term interests of the dominant class or class fraction. The contribution that the concept of relative autonomy makes is to help us look closely at the changing nature of class struggles in different historical periods and their impact on state policy. Therefore, it remains a dynamic theoretical tool to help us understand, not only the current conjuncture, but also future policies, when the relationships within the social formation are altered again. In short, while the relationship between the dominant class and state policy has become closer in this recession than in earlier periods, it is important to keep in mind that the effect is not necessarily permanent.

A second aspect of the theory of relative autonomy which helps to explain the changing emphasis in Canadian foreign policy is the proposition that there is an unequal representation of class forces inside the state apparatus, an internal structure of dominance which provides a more subtle channel for control than external pressure groups. In 1982, ministerial structures were altered in an attempt to strengthen both the force of economic interests and the position of dominant classes in the framing of foreign policy. Specifically, the Department of Industry, Trade and Commerce was dismembered and its international trade functions were transferred to the Department of External Affairs. The intention of this merger can be seen in the statement of then Minister of State for International Trade, Gerald Regan:

The real key objective of the reorganization was to focus more attention on commercial matters in our foreign policy and to see to it that not just our trade commissioners but that everyone abroad in the service of Canada contributes to Canadian sales.

While in the past External Affairs has been viewed as repre-
senting more purely political interests, its commercial functions have also been emphasized by the current Conservative government. Marcel Massé, the under-secretary of state for External Affairs, assured the Canadian Export Association in October 1984 that "there are no higher priorities for the Department of External Affairs than export development. ..." 5

What is happening is that, in a time of crisis, the underlying structures of power in Canada are becoming more apparent as the dominant interests come out of the closet. This analysis of Canada’s involvement in Africa in the 1980s will show that the interests of certain fractions of Canadian capital (located in the manufacturing sector primarily in Ontario and Quebec), together with subsidiaries of international (mainly American) capital, have had a stronger representation in the framing of Canadian foreign policy in Africa than in the past.

With massive unemployment in Canada (officially estimated at about 11 per cent), it is unlikely that other social forces of any significance within Canada will emerge to contest this reorientation of Canadian policy abroad. In fact, struggle on these issues at both a political and an ideological level has been rare or non-existent, with dominant interests often winning by default. This is not to ignore the generous response of working people in Canada to the famine in Ethiopia and other African countries, or the initiatives of church groups and trade unions opposing economic links with white Southern Africa. But when workers as a whole are facing an attack on the Keynesian welfare state and a call for a return to the disciplinary role of the reserve army of labour, it is unlikely that they will be in a position to push for significant changes in Canadian aid policy or for economic sanctions against South Africa. Federal government programmes that create jobs in Canada (such as export promotion and the tying of Canadian development assistance to the procurement of Canadian goods and services) directly serve workers’ short-term interests. Given this high degree of consensus within Canada, the state has moved on a number of fronts to change the emphasis and orientation of its approach towards Africa.

For more than a decade after African countries became independent, Canadian involvement in Africa revolved around
political interests, with the establishment of diplomatic missions, and the promotion of closer ties through the Commonwealth and the Agence de Coopération Technique et Culturelle of francophone Africa. However, in the late 1970s and early 1980s, the emphasis has shifted in line with the general trends discussed above, with state promotion of trade and investment moving into a more central position. Thus, in each of the regions within Africa — North Africa, sub-Saharan black Africa, and white-ruled Southern Africa — the Canadian state has acted to bring the economic imperative to the fore.

The shift in the Canadian government’s attention from political to economic relations is a product, less of Africa’s economic importance for Canada (at best exports to Africa have constituted only about two per cent of total exports, while imports and investment have made up an even smaller share of their respective totals), than it is one of the state’s general strategy of dealing with the recession. As noted earlier, the Canadian state has had to deal, on the international level, with two main developments accompanying the world crisis: the heightened international competition for markets, and the new international division of labour (NIDL). As this study is centered on Africa, its emphasis will be on trade promotion rather than the changes required by the NIDL, for the following reasons: first, Canadian investment in Africa has gone to traditional sectors of raw-material extraction or import-substitution rather than to the export platforms that have characterized the NIDL in Asia, the Caribbean, and Latin America; second, while Canadian industry has been forced to restructure in order to meet competition from low-wage manufactured imports coming from other parts of the Third World, so far such imports have not come from Africa in any significant quantities. Therefore, as trade is so central to Canada’s present relations with Africa, it is useful to consider briefly the strategic and structural factors within the Canadian economy which have made export promotion such an important ingredient for recovery.

Export Promotion and the Strategy for Recovery The Canadian state’s concentration on exports has been a natural product of Canada’s extremely open and vulnerable economy. About 33 per cent of Canada’s gross national product (GNP) is
represented by export sales (an increase from 15-20 per cent in
the 1960s), and one in every four jobs is dependent on trade. This export orientation is well above the average for countries of the Organization for Economic Co-operation and Development (OECD).

A number of structural factors within the Canadian economy help to explain both the existing export intensity and the state's desire to deepen the pattern. First, exports play a crucial role in financing, not only imports, but also a chronic deficit in services (mainly interest payments, dividends, and travel). Looking at the last fifteen years — from 1969 (the year in which the post-war expansion came to an end) until 1983 (the most recent year for which statistics are available) — Canada's deficit for services (about $113 billion) has been offset only partially by a surplus of $77 billion in merchandise trade. As a result, during this period Canada has had a cumulative current account deficit of about $27 billion.

Traditionally, Canada has relied on net inflows of foreign capital to make up the difference, and during this period Canada had a net inflow of $64 billion. However, while foreign capital has more than resolved the problems of current account deficits in the short term, the need to service foreign capital through dividends and interest payments (which amounted to an outflow of $56 billion during this fifteen-year period) has built in long-term pressures on Canada's international balance of payments.

These problems have become particularly acute during the world recession of the last five years as foreign capital has come to Canada increasingly in the form of loans rather than equity financing. Canadian interest payments on foreign-held debt have shot up from a mere $3 billion for the period from 1969 to 1973, to almost $30 billion from 1979 to 1983. By contrast, dividends have only increased from about $2.6 billion to $7 billion for the same periods. Given this recent escalation of international indebtedness, the historical dependence on net capital inflows, and the overall pressure on the service account (whose deficit has increased six times from the first period [1969-73] to the most recent period [1979-83]), it is not surprising that the Canadian state has embarked on a drive to promote Canadian exports.
In the composition and direction of its trade, however, Canada is closer in some respects to the developing countries of the Third World than to the advanced industrialized countries of the OECD, and faces major difficulties in achieving its objectives. In the last five years, the overall surplus in Canada's merchandise trade has been achieved by surpluses in its trade in raw materials, food and live animals ($45 billion), and in semi-processed goods ($77 billion). While world demand for unprocessed raw materials has suffered in the recession, Canada ships abroad a larger proportion of such goods than it did in 1929. Given the volatility of international market prices, Canada's dependence on its crude and semi-processed goods for its export performance places its economy in a position of great vulnerability. Yet in the past five years, only 33 per cent of total Canadian exports have consisted of manufactured goods — a figure significantly below the OECD average of 50 per cent. In fact, Canada's deficit in its trade of manufactured goods for the last five years has been about $84 billion. Therefore, a central feature of the state's export-promotion campaign has been an attempt to increase the world market for Canadian manufactured products. In addition, as 70 to 75 per cent of Canada's total trade is solely with the United States, part of the strategy adopted by the Canadian state has been to work on diversifying Canadian trade by extending relations with the Third World, as well as with Europe and Japan.

Canada and the African Market

Given the importance of increasing exports of manufactured products and of extending Canadian markets overseas, one can see the attraction of the African market for the federal government. Although Canada's total trade with Africa is only one-quarter to one-third of its trade with other parts of the Third World, its importance for Canada lies in the surplus in its trade with Africa and, to some extent, in the composition of this trade. During the last five years, Canada had a higher surplus in its trade with Africa ($2.8 billion) than it had with non-Japan Asia ($2.2 billion), while it recorded a deficit of $4.1 billion in its trade with Latin America.

Equally striking is the fact that, despite the disastrous effects of the world recession on African economies, Canadian exports
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to Africa tripled in the five years after the first oil shock in 1973 and again in the five years after the second oil shock in 1979. Over the whole period since 1969, Canadian exports have increased ten times, from a total of only $122 million in 1969, to about $1.2 billion in 1988. This record changed a trade deficit with Africa into a surplus, largely in the last period from 1979 to 1983 (see table 3 below).

Given the severe foreign exchange shortages in most African countries, Canada's export performance is quite remarkable. Partly, it is the product of sales of traditional Canadian exports: since 1979, Canada has sold over $1 billion of wheat to North Africa alone, and another $700 million of sulphur to South Africa, Morocco, Tunisia and Mozambique. However, the growth in Canadian exports is also due to substantial increases in manufactured exports in the last five years. As can be seen in tables 1 and 2, Canada has had a surplus of almost $2 billion in its trade of manufactured goods with Africa since 1979, and the proportion of total exports composed of end products (about one-third) is roughly equivalent to that for Latin America. By comparison, Canada had an enormous deficit in its trade of manufactured products with non-Japan Asia (almost $7.5 billion), and manufactured exports constituted only about 14 per cent of total Canadian exports to that region.

The extraordinary rise in Canadian exports to black Africa during a time of world recession has been largely the result of increased efforts by the Canadian government, rather than independent activities of the Canadian private sector. With an official visit by Monique Vezina, the minister for External Relations, to Kenya and the Ivory Coast in January 1985, the Mulroney government is building on the precedent established by the former Liberal administration when senior government officials, including former Prime Minister Trudeau, Edward Lumley, Pierre de Bané, Jean-Pierre Goyer and Jean-Luc Pépin, led Canadian missions that attempted to acquaint African governments and businessmen with Canadian capabilities. Bilateral commissions were established with several African countries, and a number of agreements were concluded on matters ranging from investment insurance to nuclear cooperation. Within Canada, the federal government sponsored seminars to inform Canadian businessmen of market opportu-
nities in Africa, and trade commissioners were called home from their postings to attend these meetings.

Table 1

Canada’s Balance of Trade in Manufactured Goods with Selected Third World Regions
($ million)

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<tbody>
<tr>
<td>Latin America$^1$</td>
<td>745.2</td>
<td>1,017.0</td>
<td>970.6</td>
<td>627.0</td>
<td>267.0</td>
<td>3,626.8</td>
</tr>
<tr>
<td>Africa$^2$</td>
<td>271.1</td>
<td>308.0</td>
<td>460.3</td>
<td>607.9</td>
<td>262.0</td>
<td>1,909.3</td>
</tr>
<tr>
<td>Asia$^3$</td>
<td>-1,121.2</td>
<td>-1,113.9</td>
<td>-1,630.9</td>
<td>-1,446.1</td>
<td>-2,105.3</td>
<td>-7,417.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-104.9</td>
<td>211.0</td>
<td>-200.0</td>
<td>-211.2</td>
<td>-1,576.4</td>
<td>-1,881.4</td>
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1. Latin America includes South America, Central America and the Antilles.
2. Africa includes five countries that Statistics Canada counts as part of the Middle East: Egypt, Libya, Sudan, Ethiopia and Somalia.
3. Asia excludes Japan.

SOURCE: Computed from Canada, Statistics Canada, Trade of Canada — Exports by Countries, XXXVI-XL, 4; and idem, Trade of Canada — Imports by Countries, XXXVI-XL, 4.

Table 2

Percentage of Total Canadian Exports to Third World Regions by Category, 1979-83

<table>
<thead>
<tr>
<th>Region</th>
<th>Food and Raw Materials$^1$</th>
<th>Semi-Processed Goods</th>
<th>Manufactured End Products</th>
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<tbody>
<tr>
<td>Latin America$^2$</td>
<td>36.6</td>
<td>29.4</td>
<td>33.7</td>
</tr>
<tr>
<td>Africa$^3$</td>
<td>42.7</td>
<td>24.7</td>
<td>31.8</td>
</tr>
<tr>
<td>Asia$^4$</td>
<td>46.3</td>
<td>39.7</td>
<td>13.8</td>
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1. This category consists of live animals, food, feed, beverages, tobacco and inedible crude materials.

2. Latin America includes South America, Central America and the Antilles.

3. Africa includes five countries that Statistics Canada counts as part of the Middle East: Egypt, Libya, Sudan, Ethiopia and Somalia.

4. Asia excludes Japan.


However, the most crucial component of the success in increasing Canadian exports in recent years has been the federal government’s willingness to get into the export “war” through competitive financing. This has taken various forms, of which the most traditional have been lines of credit, loans, investment guarantees and export insurance through the Export Development Corporation (EDC). In 1978, the government also introduced mixed credit schemes which have combined EDC financing with the aid programmes of the Canadian International Development Agency (CIDA), thus ensuring an overall attractive interest rate for the country purchasing Canadian goods.

The most important institution promoting Canadian exports in Africa is unquestionably the EDC, which has provided almost $4 billion in loans and lines of credit since 1969. In addition, for the same period, the EDC has made available another $2.6 billion in the form of export insurance. Given that total Canadian exports to Africa since 1969 have only had a value of $10 billion, the state has certainly offered strong support for Canadian exporters through the EDC. Moreover, export financing has increased dramatically in the last fifteen years. The total volume of exports to Africa qualifying for EDC insurance has increased from only $75 million for the period from 1969 to 1973, to $1.7 billion since 1979. Similarly, EDC loans, lines of credit and related financing for Canadian corporations (again, not counting cancellations) has increased from about $95 million in the first period, to $1.5 billion since 1979.

EDC financing has been highly concentrated in a few sectors and on a few countries — largely in North Africa and
frencophone West Africa (Algeria, Egypt, Libya, Cameroon and the Ivory Coast), though some has gone to Nigeria and South Africa. However, the overwhelming concentration of EDC programmes has been in North Africa — fully 81 per cent of total EDC loans and lines of credit since 1969 and 75 per cent of the export insurance. In terms of sectoral concentration, just over $600 million in loans has been provided for the transportation industry, with most of the assistance helping to sell diesel locomotives for General Motors and Bombardier, or aircraft for de Havilland. Several highly competitive engineering consultancy companies (Lavalin, Sofati, Treco, SNC, and Tecslult) have also been involved in a range of EDC-supported projects in francophone Africa and in Kenya. However, the clearest indication of the intensity with which the Canadian government is promoting Canadian exports in Africa can be seen in the development of trade with North Africa.

North Africa is by far the most important market for Canadian goods in Africa — the value of this trade has been quadruple that for South Africa since 1979. In fact, it was largely the surplus in Canada’s trade with North Africa that enabled Canada to surmount deficits with the rest of Africa, particularly with South Africa (see table 3). Five of the six North African countries now rank among the top seven markets for Canadian exports to Africa (the other two being South Africa in second place and Nigeria in sixth). By far the most important North African country for Canadian exports is Algeria, which is now Canada’s eleventh largest commercial partner and the largest market for Canadian goods in Africa and the Middle East.
Table 3
Canada's Balance of Trade with Regions in Africa
($ million)

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<tbody>
<tr>
<td>North Africa</td>
<td>3,370.8</td>
<td>152.5</td>
<td>681.7</td>
<td>2,536.6</td>
</tr>
<tr>
<td>Southern Africa</td>
<td>-724.3</td>
<td>-63.8</td>
<td>-245.3</td>
<td>-415.2</td>
</tr>
<tr>
<td>Anglophone West Africa</td>
<td>-190.2</td>
<td>-206.7</td>
<td>-98.2</td>
<td>114.7</td>
</tr>
<tr>
<td>Franco/Luso Spanish West &amp; Central Africa</td>
<td>235.9</td>
<td>16.7</td>
<td>-137.4</td>
<td>356.6</td>
</tr>
<tr>
<td>East Africa</td>
<td>41.7</td>
<td>-114.5</td>
<td>-93.7</td>
<td>249.9</td>
</tr>
<tr>
<td>Total</td>
<td>2,733.9</td>
<td>-215.8</td>
<td>107.1</td>
<td>2,842.6</td>
</tr>
</tbody>
</table>

SOURCE: Canada, Statistics Canada, Trade of Canada — Exports by Countries, XXVI-XL, 4; and idem, Trade of Canada — Imports by Countries, XXVI-XL, 4.

In its export-promotion campaign in North Africa, the Canadian government has made increasing use of crédit mixte or parallel financing of the same project by the EDC and CIDA. On their own, EDC rates may be commercially competitive, but they are more expensive than those of foreign competitors — especially France and other European suppliers — which have traditionally supplied the North African market and which are now fully engaged in offering soft financing to win contracts. Therefore, in the past few years, the EDC and CIDA have begun to put together packages of financing that can compete with other suppliers, as can be seen, for example, in both a major sale of diesel locomotives and an underground transmission line project in Egypt. This form of parallel financing was also an important ingredient in another large sale of locomotives to Tunisia.

**Tunisia and Canadian Locomotives** An indication of just how aggressively the Canadian government has pursued its export campaign can be seen in its involvement in the sale of diesel electric locomotives by Bombardier to Tunisia's National Rail-
ways Corporation in 1982. At a time when Bombardier had
spare capacity and had laid off 500 workers in 1982, the pro-
ject offered the prospect of jobs and some contribution to fi-
nancial recovery. Canadian officials contend that Bombardier
won a fierce international competition on the basis of price,
quality, delivery and after-sales service. However, a number
of other reasons provide a more compelling explanation for
the success of this deal. During 1982, Canadian officials regu-
larly travelled to Tunisia to impress on their Tunisian counter-
parts the strong interest that Canada had in increasing its ex-
ports to Tunisia. These officials also explicitly linked Canada’s
success in this endeavour to the future of its development as-
sistance programme. As Tunisia had been a major recipient
of bilateral assistance from CIDA in the 1970s, this was not a
small consideration. Pierre de Bané, then minister of state for
External Relations, made his position quite clear on his return
from Tunisia and Morocco:

I have gone to some lengths to let the leaders and businessmen who I have
met know that economic co-operation cannot be a one-way street. We have
invested much in the development of these countries.

These general efforts were transformed into intense lob-
bying when it was discovered that the Tunisian government
had almost given the locomotive contract to lower bidders
(General Electric of the United States and a Hungarian state
company). At that point, de Bané and Serge Joyal, then sec-
reaty of state, personally intervened, again reminding the Tu-
nisian government of Canada’s aid record in Tunisia. They
suggested that future co-operation between Canada and Tun-
isia would be affected if Canadian firms did not get these
contracts. More important, since the Tunisian government
did not want to pay commercial rates, the Canadian govern-
ment offered competitive financing. The main Canadian
financing was to come from the EDC at a less-than-commercial
rate, with additional concessional funding coming from
CIDA. As a result, the Tunisian government accepted the
Bombardier bid, with the proviso that the Canadian locomo-
tives not cost more than seven per cent more than those of the
competition. The combination of personal representations by
Canadian officials, the implicit threat regarding the future of
CIDA’s programme in Tunisia, and concessional funding had
done the trick. As one Canadian businessman said following a bilateral meeting in Tunis earlier in 1982:

Never have we seen such political willingness by our government to assist in finding foreign markets so as to increase employment in our own country.19

Canadian Development Assistance and Export Promotion in Sub-Saharan Black Africa In sub-Saharan black Africa, both the EDC and CIDA have again been central to Canada's presence, but here the emphasis has been less on EDC financing as a conduit for Canadian exports than on Canada's official development assistance programme. While in the 1960s and early 1970s political and developmental considerations played an important role in establishing new Canadian assistance programmes in Africa,20 in the years since that time, economic interests have come to dominate the shaping of aid policy. Right from its inception, Canadian development assistance had stringent tying requirements, and, although there were a number of reforms during the 1970s, CIDA's rules still stipulate that 80 per cent of the bilateral programme be used to purchase Canadian goods and services, and that two-thirds of the total be spent on goods whose value has been added in Canada. When all forms of official development assistance are considered, Canada tied an average of 60 per cent of its aid from 1981 to 1983.21 Of the seventeen donor states in the Development Assistance Committee (DAC) of the OECD, only Austria had a worse record, and Canada's tying record was much higher than the OECD norm. Canada also leads all other countries in imposing tying restrictions upon its contributions to multilateral aid.

With the publication of CIDA's strategy for 1975-80, there was a brief period in the 1970s when it seemed that some of the early emphasis in aid policy, which had included developmental objectives, might be resurrected. In 1977, Canada announced that it was going to convert all of its loans to the least-developed countries (LLDCs) into grants. However, most of the objectives of the strategy have been ignored by CIDA and, in the 1980s, there has been a much more hard-line defence of the practice of tying development assistance to the procurement of Canadian goods and services. Even a promise to untie Canadian assistance for purchases from other developing
countries has been abandoned. The priority that the strategy promised to give to the poorest people of the LLDCs (most of whom live in Africa and South Asia) has been replaced by a country-focus programme which places a much higher priority than ever before on assistance to middle-income Third World countries with which Canada has commercial and political ties. Looking at gross disbursements to LLDCs (and forgetting about the important consideration of whether or not such assistance reaches the poorest people), CIDA annual reviews show that, while bilateral assistance to such countries increased by 10 per cent in the mid-1970s, the average since issuance of the strategy has still only been 32 per cent of the bilateral budget. About the only sign of an opposite trend has been the increase in funds given to Canadian non-governmental organizations (NGOs), whose work has traditionally reflected the emphases of the strategy that CIDA has abandoned. Over the last five years, CIDA has increased its contributions to Canadian NGOs from $63 million, or 5 per cent of total overseas development assistance (ODA), to about $150 million, or 9 per cent of total ODA.22

At the same time, Canada has aligned itself increasingly with the perspectives of the World Bank and the International Monetary Fund (IMF), which have used the very desperate plight of African economies as an opportunity to impose their views about appropriate policies for development. As just one example, CIDA officials have stated publicly that, as long as the Tanzanian government opposes IMF/World Bank suggestions on economic policy, it will be difficult to sustain the level of Canadian development assistance to Tanzania.

In the last year, changes have been announced that have removed any lingering doubts about CIDA’s relationship with trade promotion. In the February 1984 budget, the Liberal government announced that it intended to establish an aid-trade fund that was to consist of half the expansion of Canadian assistance to meet the target of 0.7 per cent of GNP (or about $1.3 billion) by 1990. During the 1970s, CIDA had already established a business and industry division to encourage Canadian companies to export and invest abroad by financing feasibility studies and a number of other forms of project assistance. By 1983-84, this division was operating with an annual
budget of about $23 million. However, following the announcement of the creation of the Aid-Trade Fund, CIDA established a new private sector branch, which has incorporated the Business and Industry Division and which it hopes to use to retain control of management of the new fund. Both the EDC and the Department of Finance are competing with CIDA for responsibility over day-to-day management of this programme.

Within the countries of black sub-Saharan Africa, CIDA’s aid programmes have been absolutely essential for opening up new markets for Canadian products. The value of bilateral assistance for the three regions — East Africa, francophone West and Central Africa, and anglophone West Africa — in the last fifteen years has constituted 77 per cent of the total value of Canadian exports for the same period. Indeed, in non-anglophone West and Central Africa, CIDA has provided $120 million more in assistance than the value of total exports since 1969. The only major market in these regions for which development assistance is not significant is Nigeria, which in recent years has purchased mainly Canadian wheat, asbestos and copper.

Furthermore, without the tying requirement in Canada’s official development assistance programme, much of this business would not likely have come to Canada. The issue of Canadian competitiveness is a sore point with both federal officials and spokesmen from the private sector. However, if one looks at the record of Canadian companies in international competitions for contracts from multilateral aid institutions, the record is not encouraging. The most recent study of the DAC of the OECD shows that in a straight ranking of the seventeen DAC countries, Canada placed between seventh and twelfth in terms of procurement even though, in terms of contributions, it ranged from second to seventh. Canadians secured only 1 per cent of the total value of contracts from the African Development Fund from 1967 to 1980, while Canada was the third largest contributor to the fund. Even former Secretary of State for External Affairs, Allan MacEachen, conceded that “there is evidence that in many sectors Canadian firms are not competitive” — a view reinforced by the fact that, in recent years, Canada has had the worst record of major Western economies in terms of growth of manufacturing productivity.
(-0.3 per cent from 1977 to 1982). It is not surprising, then, that Canada's development assistance programme has moved into the forefront of Canadian relations with black sub-Saharan Africa, or that its function has become more closely tied to the export imperative.

**Canada and White Southern Africa** In the third region, white Southern Africa, the federal government has not taken as direct a role in promoting Canadian involvement as it has in the other regions to the north. However, even here there has been a hardening in approach not only in the defence of the private sector's economic relations with the region, but also in a very lenient interpretation of the United Nations embargo on the export of arms to South Africa. On a number of occasions, Canada, along with other Western nations, has softened its opposition to South Africa, moving backward to a stronger defence of policies of dialogue and constructive engagement.

During the 1970s, it had not always been apparent that Canadian policy would move in this direction. There were strong pressures within the international community and within black Africa as a whole that had induced Canada to attempt to portray itself as one of the more progressive Western nations on Southern African issues. Strong statements of Canada's "abhorrence" of apartheid were made regularly in international fora — particularly the United Nations and the Commonwealth. Canada prohibited sporting contacts with South Africans and refused to recognize the tribal homelands as independent states. In addition, Canada hoped to "balance" its economic relations with the white-ruled countries by strengthening its diplomatic relations with independent black African countries in the region, by opening missions in Lusaka in 1973 and in Harare in 1980, and by disbursing almost $380 million in development assistance to the nine independent black countries in the region.

In the mid- to late 1970s, the Canadian government also announced policy initiatives directly related to South Africa itself. In December 1977, Donald Jamieson, then Canada's secretary of state for External Affairs, stated that Canada was going to scale down official promotion of trade with South Africa by closing its trade missions in Johannesburg and Cape Town and
by eliminating EDC support on the government account for any transactions relating to South Africa. At the time, he indicated that this would include export credit and foreign investment insurance, as well as loan financing. The following year, the Canadian government issued a code of conduct to guide the activities of Canadian corporations based in South Africa. Also in 1980, Canada abrogated a Commonwealth preferential trade agreement with South Africa, albeit on economic rather than political grounds.

As has been widely noted,27 there was little substance behind these measures and they did not change the nature of Canada's economic relations with South Africa. Canada continued to employ a trade official working out of its embassy in Pretoria and Canadian suppliers are still eligible for assistance in exporting goods to South Africa under the Programme for Export Market Development and the EDC's export insurance programme. In fact, the value of exports insured has doubled in the period since 1979, in comparison with the preceding five years, and South Africa has been the third largest country for which exports have been insured in Africa in the last fifteen years.

As to the Code of Conduct, Canadian corporations were asked to submit annual reports to the federal government on their progress in promoting non-racial and egalitarian employment practices in their operations in South Africa. From the start, however, the Canadian code was judged "the most feeble of all the Codes established by Western governments,"28 reporting procedures were vague, and compliance with the code was to be purely voluntary. Only one company, Alcan, has reported at all since 1981, and the federal government's indifference to the delinquents can be gauged by the reaction of an External Affairs official who asked: "Does it make sense for Canada to stand up on its ethical high horse? What the hell's in it for us?"29 As most Canadian investment in South Africa takes the form of minority holdings in locally controlled firms, Canadian companies have disclaimed responsibility for their internal management. In fact, rather than serving as a liberalizing influence, Canadian corporations like Ford and Alcan have become more closely integrated into South Africa's defence system and produce goods for sale to South Africa's
armed services. They have been required to store weapons on their premises and to organize an all-white militia reserve unit to defend their plants. The Canadian government even allows them to deduct the expenses of such compliance from taxes paid in Canada.

Therefore, the approach that the Canadian government adopted in the late 1970s towards South Africa can be understood more as an attempt to increase its legitimacy in apartheid circles at home, and especially abroad, than as a commitment to take significant actions to reduce Canadian economic links. The retreat from even these half-hearted gestures in the 1980s can be seen in the increased Canadian trade, investment, loans and other forms of financial support offered to South Africa — all without interference from the Canadian government.

Despite the withdrawal of state support for Canadian trade with South Africa, total Canadian trade since 1979 has been almost double that of the preceding five years, and almost quadruple the trade between 1969 and 1973. Although both imports and exports have declined in the years following the peak of 1981, South Africa has remained the second largest market for Canadian exports in Africa and the continent's largest supplier for the Canadian market. In terms of the government's general export strategy, the South African market is important since South Africa purchases a larger proportion of unsubsidized, manufactured and semi-processed goods than other African countries. Since 1979, almost 70 per cent of total Canadian exports to South Africa has consisted of end products or fabricated materials — largely motor vehicle parts, mining and other industrial machinery, office machinery, and wood pulp. In addition, Canadian purchases of South African sugar, metals and steel have been sufficiently large in the last five years that Canada needs to increase its exports to cover a trade deficit with South Africa of almost $500 million.

In terms of other capital flows, the book value of direct Canadian investment has grown from about $65 million in 1969 to about $247 million in 1984.30 Of course, these figures grossly underestimate the true value of Canadian investments in South Africa since only the book value of direct investments is reported and not the value of total assets. In the last five years,
Canadian loans to South Africa have become more important than direct investment, with banks participating in international consortia that have lent $2 to $3 billion to South Africa, and underwriters contributing to another $730 million for agencies of the South African government. Clearly, the incentive for this activity is profits, and returns on investments are said to run at more than double the earnings from similar investments in Canada.

The vigour and continuing confidence of most of the private sector in its economic dealings with South Africa are products, not only of direct short-term benefits, but also of a set of rationalizations about the effect of international economic relations on apartheid. At their core, these rationalizations reflect a shared assumption with the Canadian state about the liberal principle that values free economic exchange in peaceful goods under almost all circumstances, including those in the South African case. Indeed, economic relations are held to be part of the process of dialogue that (as Stephen Lewis, Canada's ambassador to the United Nations, reiterated in November 1984) will ultimately bring about reform of the apartheid system. Therefore, critics who have pointed to the way in which trade, investment and bank loans have built in a vested Canadian interest in the continuance of white minority rule in South Africa have been dismissed. Similarly, those pointing to the benefits that Canadian corporations have received from the exploitation of black labour have been told that these activities are of mutual benefit to Canadian capital and to the people of South Africa. When pressed by spokesmen like Bishop Tutu to step up pressure on the South African government, both the Canadian state and the private sector retreat behind the contention that such action would constitute unwarranted interference in the internal affairs of another country.

At the same time, a complex network of corporate-state relations and structures has evolved to underpin such attitudes and official policy on South Africa. There is an extremely high level of corporate concentration and a pattern of close relationships between those fractions of Canadian capital that have been involved in trade, loans or investments in South Africa. One study of the top twenty-eight companies that operate in South Africa found that they shared ninety interlocking direct-
orships with the five largest Canadian banks, which have also made extensive loans there.\textsuperscript{35} Interwoven in this cluster are South African corporate interests in Canada — notably Anglo-American and Rothmans of Pall Mall — which together control 90 per cent of South African companies operating in Canada.\textsuperscript{36} At the same time, over 75 per cent of "Canadian" direct investment in South Africa is made by foreign-owned companies — mainly U.S. branch-plant companies seeking (as is the case with Ford Motor Company) to avoid the pressure of black workers and tougher legislation in the United States.\textsuperscript{37} This pattern of investment has ensured that there will be strong outside pressures on the Canadian state from the private sector in the United States and South Africa should it choose to discourage economic relations with South Africa. However, given the outspoken public support for South Africa in the past from senior Conservative ministers (John Crosbie, and the recently resigned Robert Coates), it is highly unlikely that the present Mulroney administration will attenuate, in any way, the close relationship that the previous Liberal government established with the private sector on this issue.\textsuperscript{38}

During the 1980s, the imperatives produced by the economic crisis have added a conjunctural factor to these underlying ideological and structural predispositions. Therefore, on a number of occasions, Canada has either softened its implementation of measures like the U.N. arms embargo or has actually moved to support South Africa.

At the international level, the most dramatic indication of a change in approach was Canada's support of South Africa's request for a $1.07 billion loan from the IMF in 1982. Although South Africa's reason for its application to the IMF was ostensibly its large budget deficit, the amount of the loan coincided very closely with the increase in South Africa's defence budget in 1981-82, and many observers doubted that South Africa needed the loan at all.\textsuperscript{39} Despite opposition from church groups and some academics in Canada, the former minister of Finance, Marc Lalonde, defended Canada's support of the loan application, insisting that his reasons were based on technical rather than political grounds, that South Africa had the right to be treated on the same basis as any other IMF member, and that Canada did not want "to be accused of meddling in the in-
ternal affairs of sovereign states." In fact, Canada had the crucial 4.19 per cent of the votes that enabled the Western powers to gain a slim 52 per cent majority within the IMF in support of South Africa's application.

Since then, a series of events has confirmed the political basis, both of South Africa's request and of Canadian and other Western support in the IMF. South Africa not only failed to pick up its first disbursement, but announced seven months after the loan that it would repay the entire loan ahead of schedule. According to the pro-government South African press, South Africa had not really needed the loan but had used the application as a test of Western political support and as a means of securing the IMF "seal of approval."

The Canadian government has also moved to distance itself from direct support for the African National Congress (ANC), the main South African liberation movement, even though it had established a precedent in its support for Zimbabwean liberation movements in the 1970s. Instead, the Canadian aid agency, CIDA, has begun a programme of development assistance in the tribal homelands within South Africa.

However, the most striking indication of a softening of Canadian opposition to South Africa has been the willingness to countenance direct relations between Crown corporations in Canada and Southern Africa and, above all, the loosening of the implementation of the U.N. embargo against arms sales to South Africa. While the state has not resumed direct trade promotion with South Africa, its officials have indicated, time and again, either their indifference to the question of economic links or their impatience with critics of Canadian involvement.

Thus, the Liberal government showed no interest in interfering with the import and processing of Namibian uranium by a Canadian Crown corporation, Eldorado Nuclear. The government was also prepared to ignore key U.N. resolutions which regard the export of natural resources from Namibia under present conditions as theft and which have called on members to prohibit their corporations from prospecting or exporting uranium and other minerals. In Canada, government officials assured the Hudson's Bay Company that its major involvement in the production and export of karakul pelts in Namibia was not illegal. In fact, the Canadian government
assists Canadian corporations operating in Namibia by deducting taxes paid to the Namibian administration, even while official Canadian policy holds that this administration is illegal. Although the contradiction is quite apparent, the government insists that income tax relief is universally applied and is not meant to imply a judgement about the legitimacy of the regime levying the tax.  

In the case of arms sales to South Africa, the Canadian government has not only failed to enact legislation to enforce the mandatory embargo that followed Security Council resolutions in 1963, 1970 and 1977, but has also made efforts to circumvent the clear intent of the U.N. embargo. The administration of the embargo has been handled through an export control list which has two parts: military products that cannot be exported to South Africa, and dual-purpose items that might be put to military or civilian use and that require individual export permits. In fact, the Canadian government has been lenient in enforcing the ban on military exports to South Africa and has failed to recognize the clear military nature of many dual-purpose exports.

The most scandalous case of slipshod government control over Canadian exports of military equipment involved Space Research Corporation (SRC). Not only did this firm ship artillery shells to South Africa a full year after public attention had been brought to its trade, but the lack of care in investigating the company meant that Space Research was able to help South Africa develop a 155-mm mobile artillery system that is capable of firing tactical nuclear weapons. The Armaments Development Corporation of South Africa (ARMSCOR), an agency of the South African military, even bought a 20 per cent interest in SRC, and South Africans came to Canada in 1979 to run tests. By 1982, South Africa was in a position to launch an international campaign to promote South African exports of this new system and was able to test the artillery system in combat in Namibia and southern Angola.

While the Canadian and U.S. governments ultimately prosecuted Space Research, their intervention was late, the trial proceedings were secret, and the punishments were relatively slight. Of greater importance was the fact that both governments had failed to stop the development and export of the ar-
tillery system to South Africa, despite the attention raised by the international media about SRC in the late 1970s. In Canada, the reluctance was related to the close relationship that SRC had had with the government (it carried out important production work for the Canadian armed forces, the former Department of Industry, Trade and Commerce, and the Canadian Commercial Corporation).48 Indeed, SRC was seen as an important component of the munitions industry in Canada, with a strong potential for increasing Canadian exports of military products.

This attitude towards Canadian priorities has also affected the government's assessment of "dual-purpose" items exported to South Africa. In the 1960s, the Canadian government vetoed a sale of ten thousand trucks by Ford Canada to the South African government on the grounds that the trucks might be used for military purposes. Increasingly, however, Canada is exempting dual-purpose items from sanctions unless the South African military or police are the direct purchasers. Thus, in June 1984, the Canadian government allowed Control Data to supply eleven large-scale computer systems to the Iron and Steel Corporation (ISCO), an agency that supplies military equipment to the South African government. Generally, the government will approve the sale of anything it feels will not leave it open to a clear charge of violating the embargo.

Canadian officials at both the federal and provincial levels were also completely indifferent to the sale of strategic technology by a Canadian company, which ultimately involved the production of heavy truck engines for the South African Defence Force.49 Since 1979, through a wholly owned British subsidiary, Massey Ferguson has helped South Africa to design and manufacture all the diesel engines it needs to meet its agricultural, commercial and military requirements. One federal official observed that "the federal government wasn't interested in what this particular subsidiary was cooking up with somebody. If it doesn't bother the British government, why should it bother Canada?"50 The response from Massey Ferguson was much closer to the point. Although a general manager of the South African operations had stated that the foreign companies were well aware of the military aspects of the project,51 Conrad Black, then chairman of Massey
Ferguson, denied that the engines would be used for other than agricultural purposes. However, in a strong defence of white minority rule in Africa, he added:

Even if we had the means to reduce the ability of the South African whites to become more economically and technologically self-sufficient, which we do not, we would certainly not be inclined to do so. Like all other peoples, they have a perfect right to self-preservation, and like all other respectable nationalities, they should be commended for having the collective pride and motivation to defend themselves.\(^{52}\)

**Conclusion** Although Canada's approach to Africa has varied from region to region, its fundamental orientation has been a product of its response to the global crisis. Despite some signs of recovery in the United States, economic indicators on growth, employment, the federal deficit, and debt are all comparatively worse in Canada. Therefore, in a time of difficulty, other considerations in Canada's relations with Africa will be secondary to what is perceived, in the short term at any rate, as economic necessity. In North Africa, this has meant a vigorous effort to promote Canadian exports through a concentration of the EDC's resources. CIDA's programmes have been used and will likely be used again both as a bargaining chip for contracts and as additional concessional financing to make Canadian bids competitive. In sub-Saharan black Africa, development assistance programmes have been linked to the promotion of Canadian exports in the expectation of long-term commercial benefits for Canada. As one federal official conceded: "Yes, sometimes we buy our own business. It's called an investment."\(^{53}\)

The extent to which the Canadian government "has bought Canadian business" can be seen in table 4 below. In the period from 1969 to 1983, total EDC and CIDA financing was only about $840 million less than the value of the nearly $10 billion in Canadian exports to Africa. If one takes out Canadian exports to South Africa, for which most EDC and CIDA financing has not applied, and counts only the 80 per cent tied component of CIDA's bilateral budget, then we can observe that for the rest of Africa, the Canadian government has been prepared to offer almost $425 million more in financial support than the value of total Canadian exports.\(^{54}\)

As these results suggest, there have been real difficulties in
centering Canada’s strategy in Africa around export promotion, particularly of manufactured goods in new markets and in economies that have been devastated by the global crisis. The attempt faces formidable competition, as most other industrialized countries are seeking the same route out of the recession and have become involved in similar export marketing schemes and soft financing agreements.

Table 4
Canadian Public-Sector Support for Canadian Exports to Africa
($ million)

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<tr>
<td>EDC Loans, Lines of</td>
<td>3,844.2</td>
<td>94.3</td>
<td>2,291.5</td>
<td>1,458.4</td>
</tr>
<tr>
<td>Credit Offered¹</td>
<td></td>
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<tr>
<td>EDC Exports Insured</td>
<td>2,595.5</td>
<td>73.7</td>
<td>797.5</td>
<td>1,724.3</td>
</tr>
<tr>
<td>CIDA Bilateral Aid</td>
<td>2,712.6</td>
<td>330.2</td>
<td>936.3</td>
<td>1,446.1</td>
</tr>
<tr>
<td>Disbursements²</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>9,152.3</td>
<td>498.2</td>
<td>4,025.3</td>
<td>4,628.8</td>
</tr>
<tr>
<td>Total Canadian</td>
<td>9,990.5</td>
<td>892.6</td>
<td>2,552.7</td>
<td>6,545.2</td>
</tr>
<tr>
<td>Exports</td>
<td></td>
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1. These figures do not count cancellations; so they are larger than actual disbursements.

2. CIDA figures are for the period from 1968-69 to 1982-83.

SOURCES: EDC annual reports for the years 1969-83; CIDA annual reports for the years 1968-69 to 1982-83; and Canada, Statistics Canada, Trade of Canada — Exports by Countries, XXVI-XL, 4.

Where Canadian companies have responded to opportunities opened up by EDC and CIDA financing, they have tended to treat the African market as peripheral and have been unwilling, with a few exceptions, to set up local offices to take advantage of changing conditions and needs. As well, federal officials have been frustrated by the shoddy approach that many Canadian companies have taken both to marketing and to
after-sales service. Even the government-owned de Havilland aircraft company, which has sold aircraft all over Africa, has a poor reputation for such important aspects of customer service as the provision of instruction manuals and adequate spare parts.55

In general, the Canadian private sector has been slow to move into African markets. Fully 60 per cent of a $1.2 billion line of credit for the Algerian market was not taken up by the time of its expiry in 1982, largely, according to the President of the Algerian Development Bank, because of the lack of interest on the part of Canadian firms in bidding for business in Algeria.56 Funds were also left undisbursed in a recent line of credit for Tunisia. However, if Canadians have been reluctant to pursue market opportunities in North Africa, the problem has been intensified in the less-developed countries of sub-Saharan Africa. Some Canadian firms — particularly engineering consultancy and research companies like Lavalin and SNC — have projects all over Africa (though almost entirely with the assistance of EDC and CIDA financing). Generally, though, Canadian firms will look at the African market only after considerable government prodding and as yet have not moved on in any significant numbers to bid for projects financed by multilateral aid agencies.57

An important part of the reason for this poor performance lies in the structure of ownership in Canada's manufacturing sector. About half (47 per cent) of Canada's manufacturing industry consists of foreign-owned subsidiaries of transnational corporations which lack autonomy in their foreign projects. Canadian-based subsidiaries were originally located in Canada to secure the Canadian market and were not intended to seek out international business on their own. Decisions about which part of a transnational corporation will pursue a project in a Third World country are made by the parent corporation in terms of the interests of the transnational as a whole, and not of the Canadian branch plant or of the Canadian government.

In fact, a confidential government document argues that the export limitations imposed by foreign transnational corporations operating in Canada may be at the root of Canada's difficulties in increasing its exports of manufactured end products.58 The memorandum noted that "because of corporate
policy, many firms were either unwilling or unable to pursue projects abroad," unless financing was available from CIDA or the EDC, and that even then, subsidiaries would not pursue the follow-up business. A more recent report has confirmed that only 20 per cent of Canadian branch plants use their facilities to manufacture products for export. What these studies clearly show is that as long as a substantial part of Canada's manufacturing sector is owned by foreign transnationals, the lack of export freedom for branch plants will limit the effect of the government's export-promotion programmes.

Canadian involvement in Africa during the current world crisis is therefore a product of some of the fundamental contradictions that affect the Canadian social formation. As long as foreign, and especially American, ownership is so dominant (and the Mulroney government is clearly anxious to encourage more foreign investment), there will always be a necessity to increase exports to cover the long-term structural problems in the international balance of payments, caused by the outflow on the services account. At the same time, as we have seen, manufacturing subsidiaries are constrained from exporting by the interests of parent corporations located elsewhere. Therefore, state promotion of exports will likely continue to be an essential part of the government's campaign to promote exports and to induce branch plants to produce for abroad, if only on a one-time basis.

Within Southern Africa, the role of the public and private sectors has been reversed. While in the rest of Africa extensive government promotion has been necessary to induce private companies to explore market opportunities, in white-ruled Southern Africa, the Canadian private sector has taken the initiative. The Canadian government has become more openly supportive of those companies that have become involved in South Africa and Namibia, and has been prepared to countenance violations of the spirit of measures adopted by the international community against apartheid. If the past few decades are any indication, no matter what level of oppression and injustice is inflicted on the black majority by the white minority, Canadian officials will remain optimistic about the plight of these people, and sanguine about Canadian economic links with the region. As we have seen, this view has been a product
of fundamental ideological perceptions and; of the appropriateness of the South African market for the Canadian export strategy of diversifying and increasing markets for manufactured goods. Given the interlocking network of Canadian, American and South African corporations and their relationship to the power structure in Canada, it is likely that the Mulroney government and the private sector will remain part of the alliance of Western capitalism which has profited from and defended the apartheid system in the past, part captive, and part active, agent.

The recession of the 1980s and the world crisis have not changed these political, economic and structural realities; they have been central to the Canadian social formation for quite some time. However, the crisis has intensified Canada's economic problems and has brought the structures of power and dominant interests of capital out into the open in a way that has not happened in the past. We are entering a more determinist phase in Canada's relations with Africa, one that will be easier to understand, but one in which the interests of either the poorest Africans or those suffering under the oppression of white minority rule will ultimately be relegated to the bottom of Canada's priorities.

Notes


4. "Notes from an Address at a Seminar to Promote Market Opportunities in Africa," *Department of External Affairs Statement* (Halifax, 15 December 1982), 10

5. "International Trade Environment," *External Affairs Statements and Speeches* (16 October 1984), 4
6. Joe Clark, "Pulling Together for a Better Future," _External Affairs Statements and Speeches_ 84/9 (1 October 1984), 1; and James Kelleher, "Notes for an Address to the France-Canada Chamber of Commerce" (Paris, 5 December 1984), 3-4

7. See _Bank of Canada Review_ (June 1984) for the balance of payments statistics used in this section. This study uses data for the fifteen-year period from 1969 to 1983 in order to offer, not only a long time series, but also to allow an analysis of three distinct periods: from the end of post-World War II expansion in 1969 to 1973, the year of the first oil shock; 1974 to 1979, the period reflecting the first reaction to oil price rises; and 1979 to 1983, the period following the second oil shock.


9. For all trade figures used in this study, see Canada, Statistics Canada, _Trade of Canada — Exports by Countries_, XXVI-XL, 4; and idem, _Trade of Canada — Imports by Countries_, XXVI-XL, 4


11. For all EDC figures in this study, unless otherwise attributed, see the EDC’s annual report for the years 1969-83.

12. See, for example, the tone of the remarks in Charles Lapointe, "Translated Notes for an Address at a Seminar to Promote Market Opportunities in Africa," _Department of External Affairs Statement_ (Montreal, 9 December 1982), 9

13. Canada, Department of External Affairs, "Conclusion of the Eighth Session of the Canada-Tunisia Bilateral Commission Meeting," _Communiqué_ 19 (12 February 1982), 1


17. "Bombardier obtient." (See n. 16 above.)

18. Gibbens, "Tunisia Buys Bombardier Locomotives." (See n. 15 above.)


22. See CIDA’s annual report for the years 1978-79 to 1982-83. This study uses CIDA annual reports since 1968-69 for any figures for official development assistance (unless otherwise attributed).

23. Allan J. MacEachen, “Background Documentation for the Colloquium on Canada’s Official Development Assistance; Principal Policies and Programmes” 7/8 (March 1984), 50


25. MacEachen, “Background Documentation,” 52. (See n. 23 above.)


27. See annual reports of the Taskforce on the Churches and Corporate Responsibility (TCCR) from 1979-80 to 1983-84; and Joanne Naiman, Joan Bhabha, and Guy Wright, “Relations Between Canada and South Africa,” in United Nations Centre Against Apartheid, Notes and Documents 10/84 (August 1984), 3-5


34. See, for example, government reactions to these suggestions in TCCR annual reports from 1979-80 to 1983-84.

35. Pratt, "Political, Economic, Social and Humanitarian Implications," 3. (See n. 28 above.)

36. Ibid.

37. Loxley, "Canada and South Africa," 29. (See n. 32 above.)

38. Naiman, Bhabha, and Wright, "Relations between Canada and South Africa," 7. (See n. 27 above.)


40. Letter to Brian Fraser, Chairman, TCCR, 8 November 1982.


42. TCCR, Annual Report 1981-1982, 25


45. This "supergun" has a 40 per cent longer range and is more accurate than any other equivalent gun in the world. Peter Younghusband, "Canadian Tests Aid Supergun for Pretoria," Globe and Mail, 29 March 1982, 1


47. Both governments were involved since Space Research straddled the Quebec-Vermont border. See "SRC Link Stripped Cash, Explosives Workers Say," Toronto Star, 10 February 1981.

48. Peter Moon, "Ottawa Wants Changes if Arms Firm to Get Aid," Globe and Mail, 11 March 1980, 1

49. "South Africa — Driving a Perilous Road to Diesel Self-Reliance," Business Week, 8 June 1980; and "South Africa — A Drive for Strength to Offset Sanctions," Business Week, 21 May 1979, 47

51. Ibid.


54. Of course the value of goods covered by export insurance will not necessarily constitute an expenditure.

55. "Canadian-Owned Firms." (See no. 53 above.)

56. "Algeria Sees Broad Scope for Increase in Trade with Companies from Canada," *Globe and Mail*, 10 April 1981, B5

57. MacEachen, "Background Documentation," 51

58. Cited in Glen Williams, "Still Not for Export," *Canadian Forum* (October 1983), 8-9