

# EMBASSY

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## A year later, Haiti remains a riddle wrapped in an enigma

Anca Gurzu

Nearly three months after a massive earthquake left parts of Haiti in complete devastation, Foreign Affairs Minister Lawrence Cannon stood in front of hundreds of international delegates at the United Nations in New York speaking about a long-term vision.

"While today's conference is a landmark event in Haiti's reconstruction, it should by no means be interpreted as the end of a process," he said on March 31. "It is one of the first milestones on a long road upon which we have just embarked, and Canada is ready to stand by Haiti's side as long as required."

At the time, with the Afghanistan mission set to wrap up in 2011, many had expected, if not outright encouraged, the government to make Haiti Canada's next top foreign policy priority. There were many reasons to do so, including geographic proximity, the large number of Haitians in Canada, and the destabilizing effect the Caribbean nation's continued instability was having on the region.

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## Reliving the shock

■ "I didn't have time to cry," Haitian Chargé d'Affaires Nathalie Gissel-Ménos recalls.

Anca Gurzu

On Jan. 12, 2010, 50 minutes before a devastating earthquake shook the small Caribbean nation of Haiti, Nathalie Gissel-Ménos boarded the last Air Canada flight leaving Port-au-Prince that day. After having spent her vacation with family and friends, the Haitian chargé d'affaires was bound back for Ottawa.

When she arrived in Montreal hours later, an immigration officer asked her how the situation was in Haiti.

"I said 'Fine,'" Ms. Gissel-Ménos recalls a year later. "She said 'Are you sure?' I didn't understand where she was coming from."

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EMBASSY PHOTO: SAM GARCIA

**A new hand or chairs on the deck of the Titanic?** Prime Minister Stephen Harper started the year off with a mini-Cabinet shuffle that saw Peter Kent become Canada's new environment minister and Diane Ablonczy take over as minister of state for the Americas.

## Key to Kent may be ability to make allies

Carl Meyer

When Mexican Ambassador Francisco Javier Barrio Terrazas arrived in Ottawa in February 2009, his country had just become the subject of travel warnings from both the United States and Canada.

Drug violence was at record levels in Mexico, with dozens slaughtered every day, while the US administration said corruption was skyrocketing. Meanwhile, critics said the US drug policies had failed once and for all, and the violence marked a definitive shift in power towards organized crime.

As a result, Mr. Barrio said he encountered some "very unfair criticisms" of Mexico upon his arrival. He felt the chattering classes were not expressing the facts in the right manner.

So he was bowled over when these criticisms were countered publicly by then-minister of state for the Americas Peter Kent, who, Mr. Barrio says, seemed to know the nuances of his country's problems better than he could ever anticipate.

In response to concerns about Canadians in Mexico, Mr. Kent told reporters at the time: "You can see that certainly the conventional tourist spots, the major tourist locations, don't have any more risk involved than at normal times."

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## Cabinet shuffle prompts calls for more ministers of state

Anca Gurzu

The appointment of a new minister of state of foreign affairs for the Americas in the last Cabinet shuffle on Jan. 4 has reinforced the Harper government's foreign policy focus on the region. But it has also sparked debate over the need and effectiveness of having similar positions to represent other parts of the world—especially amidst

growing frustration over the diplomatic community's lack of access to Foreign Affairs Minister Lawrence Cannon.

Diane Ablonczy is the new point-person for diplomats in the Americas, replacing former broadcaster Peter Kent. In this junior Cabinet position, she will regularly interact with and travel to Latin American countries in an effort to strengthen the government's priority for the area.

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# Diplomacy This Week

## Canada attempts smooth samba diplomacy in Brazil



AVINASH  
GAVAI

*Chatter House*

The first day of the new year witnessed a milestone of sorts that breathed new life into the term “girl power.” The event in question was the inauguration of **Dilma Rousseff**, Brazil’s first-ever female president.

In a country that is renowned for its culture of “machismo”—not to mention its massive influence in Latin America and the Caribbean, growing international clout and matching economic progress—it was perhaps inevitable that such a watershed moment would attract the high and mighty from many corners of the globe.

A total of 47 world figures confirmed their attendance at the inauguration, with more than 12 heads of state making their presence felt at the inauguration on New Year’s Day. This included a huge South American presidential coterie, including the leaders of Venezuela, Bolivia, Costa Rica, El Salvador, Guatemala and Paraguay. The power-packed guest list also included US Secretary of State **Hillary Clinton**, **Prince Felipe** of Spain, South Korean Prime Minister **Chung Un-chan**, Bulgarian Prime Minister **Boyko Borisov**, the presi-



Canadian Public Works Minister Rona Ambrose.

the Palestinian National Authority, **Mahmoud Abbas**, and uh, Canadian Public Works Minister **Rona Ambrose**.

While Ms. Ambrose probably made for the most telegenic presence at the event, she is hardly known as a heavyweight personality in the international ring. True, she is also the minister of state for the status of women, but grapevine whispers revealed a degree of annoyance, with sources indicating that Brazil’s embassy in Ottawa wasn’t too pleased with what they perhaps perceived as a Canadian slight to their national pride.

Although Prime Minister **Stephen Harper** did mention in a statement that the inauguration was “an important event,” it’s unclear why he didn’t send a more important and relevant individual such as Foreign Minister **Lawrence Cannon** for the ceremony.

Though the Brazilian Embassy did not comment on the issue, *Chatter House* did manage to track down Brazil’s popular former ambassador **Paulo Cordeiro de Andrade Pinto**, who is now engaged as an under-secretary general of Middle East and African Affairs in the Brazilian foreign ministry. Mr. Cordeiro, ever the consummate diplomat, was quick to rubbish claims of any perceptions of Canada/Brazil fissures.

“Canada sent a female minister and a person who speaks Portuguese,” Mr. Cordeiro wrote in an email. “Rona’s father worked in Brazil and Rona spent some of her a teenager years in my hometown of Salvador de Bahia. We were honoured she could come.... There was no upsetting at the embassy.”

### Enter the Boy Zone

The new year tends to usher in many things new resolutions, new ideas, new hopes, and new doubts. In 2011, it has also brought in a new diplomatic “Boys Club.”

*Chatter House* recently learned that a select posse of less than 15 of Ottawa’s most socially “agile” male ambassadors and high commissioners have come together to form a fraternity, where they can escape the niceties and prim and proper behaviour of the staple diplomatic circuit.

One member of the group said that word of the Boys Club has come to the attention of some of the lady heads of missions here, prompting him to mischievously comment, “perhaps we can at some point make them honorary Boys.”

For the time being, however, the group is determined to keep this an XY affair, and Ottawa’s female diplomatic corps will only be able to speculate as to what actually transpires.

The Boys Club came about as a brainstorm in one informal event late last year, where one ambassador bemoaned the formal rigidity and impersonal quality of national day functions—the bread and butter of diplomatic social engagements.

Soon, a prototype event was held, where the founding fathers invited more people they felt were “on the same wavelength.” After its success, they decided to make it a regular affair. The rules so far (aside from the males-only clause) are that events will be held on a rotational basis among the members, and that they are allowed to invite other heads of mission “they deem fit to join.”

*Chatter House* was privileged enough to witness a recent bash, and though it is not at liberty to identify the members, it will say that the soiree was spirited, and that’s putting it mildly. Oh boy!

### Kicking up some (Wiki)leaks.

Canada is neither known for its earth-shattering skills in the soccer pitch, nor is it known for earth-shattering revelations in **Julian Assange’s** deluge of US diplomatic cables through Wikileaks. The two, however, amazingly achieved a degree of convergence recently.

Canadian soccer enthusiasts—and there are surprisingly many judging by the viewership achieved during last year’s FIFA World Cup—will probably be heartened by the revelations, which indicates that the level of Canadian international soccer, ranked 84 in the world, is perhaps not as abysmal as it seems.

A letter from the US Embassy to Bulgarian authorities discusses a match between Canada and fellow soccer minnow Macedonia on Nov. 14, 2009, which led to a humiliating 3-0 loss for the Great White North.

Under the heading “Red card for corruption,” it states: “The Union of European Football Association (UEFA), the governing body of European soccer, also is investigating Bulgarian referee Anton Genov for his alleged involvement in fixing an international match. According to the UEFA, there were obvious irregular betting patterns prior to the international friendly match on November 14, 2009 in which Genov awarded four penalty shots during Macedonia’s 3:0 victory over Canada.”

The Union of European Football Associations later suspended Mr. Genov in light of the fact he had suspiciously awarded four penalty kicks, two to each side.

The cable shows that the US Embassy made a concerted outreach to Bulgaria offering support to the European country’s battle against corruption in their domestic leagues.

Though Maple Leaf soccer fans may feel they owe a debt of thanks to the embattled Mr. Assange for giving them at least a modicum of hope, they should take note of a pertinent fact that should really surprise no one: Canada missed both of its own penalty kicks.

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## Talking Points

### US plans to cut 124 F-35s

The US defence budget calls for a reduction of 124 F-35 fighter jets being purchased, the *Fort Worth Star-Telegram* reported. Canada has committed to purchase 65 F-35s partly on the reasoning that it will have access to contracts on the global supply chain, including US purchases, so a shrinking of the Pentagon order **could mean less business**. F-35 production dates have also been pushed back in the US to accommodate further testing and tweaking of the plane’s assembly line. But Canada’s assistant chief of the air staff, Maj.-Gen. Tom Lawson, told the *Toronto Star* that the issue should not affect the Canadian commitment.

### CF trainers in demand in Kandahar

US Army Lt.-Gen. William B. Caldwell, in a new paper published by the Canadian Defence and Foreign Affairs Institute, argues that Canadian Forces trainers are needed by NATO in Kandahar, the Canadian Press reported. Mr. Caldwell is the top commander of NATO’s training mission in the country. He wrote the paper before Canada announced it would extend its mission in Afghanistan to accommodate for a training mission. The government has promised the troops would be **centered around Kabul**, but defence analysts point out most of the training slots there are already taken.

### UN’s Haiti plea turned down

The UN’s head of humanitarian aid in Haiti, Nigel Fisher, says the Harper government turned down a request by the UN and local authorities to keep its military deployed in Haiti for a longer time after last year’s earthquake, the Canadian Press reported. The military, which sent 2,000 troops, originally had a mandate to provide a **short-term response effort**, and did not have the obligation to stay. But doing so would have been beneficial to the region, said officials, and would have helped calm the panic that has gripped the nation after a disputed election, a cholera outbreak and a rise in theft and rape.

### Foreign interference a problem: CSIS

A report from Canadian Security Intelligence Service director Richard Fadden to Public Safety Minister Vic Toews says that foreign interference is still a problem for national security, the CBC reported. Mr. Fadden wrote the report after his announcement on CBC in July that foreign governments hold influence over Cabinet ministers as well as other officials. The influence on Canadian politicians comes as **electoral support and is “slow and methodical,”** wrote Mr. Fadden, and aims to develop relationships that affect perspective and decision-making.

Embassy Photo: Sam Garcia



The Right Honourable Michaëlle Jean, UNESCO Special Envoy to Haiti and National Inuit Leader Mary Simon.



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## Haiti: One Year Later

## Reliving the shock

Continued from Page 1

Even after the immigration officer told her there had been an earthquake, she just replied "So?"

"There are always some small shakes, but nothing to worry about," the Haitian diplomat says.

Reality started to sink in, however, when the officer told her the presidential palace in Port-au-Prince had collapsed.

"I said 'No, you must be kidding me. That's not possible,'" she recalls, emotionally pointing to a coloured poster on her desk depicting two images. The top one portrays the majestic presidential palace before the earthquake, while the bottom image highlights the post-earthquake rubble that remained.

There are about a dozen of these posters stacked on her desk, showing the devastation of many of Haiti's key landmarks and institutions. The posters will be displayed on Jan. 12 at the Notre Dame Cathedral in Ottawa, at the one-year earthquake commemoration ceremony.

"Things have been so overwhelming this year," she says, remembering the past frantic 12 months. "I didn't have time to cry because I had to simply keep going and going and going, until we could take a breath and feel that we could pause because there was nothing else that we could do."

She says the one-year commemoration ceremony will be a difficult one to handle.

"It will be so painful for me because I suppressed so much," the Haitian diplomat says. "I could not allow myself to be non-reactive and let go. There were too many things that depended on my pushing. I am reliving all this after a year, and personally, it's very tough for me."

## First reactions

Ms. Gissel-Ménos still vividly remembers her conversation with the Montreal immigration officer and the shock she felt when she started to slowly understand the situation in her country.

"[When she told me about the palace], it struck me as something huge and very serious, but I didn't understand the magnitude of it," she says.

After retrieving her luggage, she tried to call home—her husband and the Haitian foreign affairs ministry—but no lines would go through.

As she was ready to board a plane to Ottawa, Ms. Gissel-Ménos says she received a call from the Canadian Foreign Affairs department wondering whether she was in Haiti. Upon arriving in Canada's capital, while waiting to pick up her luggage in the arrival area, her eyes fell on a television screen that was showing the first post-earthquake images from Haiti.

"That's when I realized what was going on," she says, her voice strained with emotion, tears in her eyes even now. "But I did not have time to cry then."

The chargé d'affaires was planning to spend Jan. 13 taking care of house errands and was supposed to return to work on Jan. 14.

"But it was decided differently," she says, adding that when she finally got to the embassy, her first job was to comfort the mission's staff, whose morale was really low. Then it was time to get to work.

"We were an embassy and we had a lot of responsibilities," she says. "The community was calling for help, the media was calling us and we didn't have any information, we were cut off from Haiti."

Forty-eight hours after the earthquake, Ms. Gissel-Ménos received her first contact from her husband in the form of a text message, saying he and the rest of family were alright.

"Then I could breathe for myself and keep going," she says.

She still remembers those first weeks after the earthquake when people were calling in hoping they could go to Haiti and help.

"We were trying to let people understand that they could not simply go because they would block access to the most important people that were indeed bringing help," the Haitian diplomat says. "If you were not a doctor or nurse, what could you possibly do?"

This type of disorganization was also visible at the international level in the early stages, she says.

"At the beginning it was a mess," Ms. Gissel-Ménos recalls. "Everybody wanted to help, help was going in all directions, which at certain times was counter-productive, but still it was coming."

But she describes the Canadian, and overall international, input as "really overwhelming" and having "touched deeply the hearts."

"In our deep, deep sadness we realized we were not alone, that people were feeling for us," she says. "And that helped, morally it helped."

Ms. Gissel-Ménos describes 2010 as a year full of challenges for Haiti. Not only did the January earthquake leave hundreds of thousands of people dead and more than a million homeless, but the nation also experienced an outbreak of cholera and braced itself for the tropical storm Tomas. On top of that, violence erupted on the streets of Haiti after the first round of disputed presidential elections in November, a crisis the Haitian diplomat hopes will be very short.

She points out that the earthquake also destroyed many key Haitian ministries, leading to the loss of about 17 per cent of the public service workforce.

A year after the earthquake, many observers say Haiti does not look much different today than it did on Jan. 12, 2010, as many non-governmental organizations are still providing relief work and the reconstruction process is very slow.

This is an argument Ms. Gissel-Ménos says she feels torn about.

"I would like myself, as a citizen of Haiti, to be able to see where all this money that everybody has been talking about, that has been promised, where it has gone to," she says. "But I also know that to be able to see that, there must be a plan first, there must be some kind of administrative structure put in place, because walls and houses won't just simply rise [by themselves]."

She encourages more communication among all parties involved in the reconstruction efforts.

As for 2011, Ms. Gissel-Ménos says she would like to see it as a "peaceful, productive, constructive year."

"I really would love everything that comes our way to be positive, even as small as it can be, but positive," she says. "That's what I truly hope and from the bottom of my heart."

And she says she has never stopped to wonder how things would have developed had she been scheduled to board a plane on Jan. 13.

"I believe it was not my destiny to be there."

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The Embassy of Haiti is hosting a ceremony commemorating one year since a 7.0 magnitude earthquake hit the country. The event will take place Wednesday, Jan. 12 at 6:30pm at the Notre Dame Cathedral, 375 Sussex Dr.



Nathalie Gissel-Ménos, the Haitian chargé d'affaires, says the one-year earthquake commemoration will be a very painful one for her.

## Doer most lobbied envoy

Lee Berthiaume

In the lead-up to the UN climate change summit in Cancun, Mexico, last November, Guy Saint-Jacques became a sought-after target of lobbying efforts by both business and environmental groups, according to government records.

In fact, of all Canadian diplomats working in missions abroad, only Canada's man in Washington, Gary Doer, was the subject of more attention than Mr. Saint-Jacques, who took over as climate change negotiator in early September.

The Harper government implemented a rule in 2008 that created a new online database which require all lobbyists to disclose communications with politicians and senior government officials, including officials at Canadian missions abroad.

A search of the database revealed 36 communications between different companies

and organizations and Canadian ambassadors, high commissioners and other diplomats last year. Mr. Doer was lobbied eight times, while Mr. Saint-Jacques came in at four.

By far the most prolific lobbying group was the Canadian Council of Chief Executives, which approached 15 diplomats, including High Commissioner to India Joseph Caron, Ambassador to China David Mulroney, as well as Messrs. Saint-Jacques and Doer.

After that came the Alliance of Manufacturers and Exports Canada (CME), uranium company CAMECO Corp., and the environmental NGO Pembina Institute, all with two meetings. Pembina met with Mr. Saint-Jacques twice, while CAMECO met with Stephen Millar, Canada's ambassador to Kazakhstan.

The database does not contain detailed information about the topics discussed, mentioning simply "international trade," "energy" and "climate change." The database only applies to Canada-based organizations.

## Lobbying of Canadian diplomats (2010)

Date	Lobbyist	Canadian Official	Posting
Jan. 11	Canadian Council of Chief Executives	Joseph Caron	India
Jan. 11	Alliance of Manufacturers and Exporters Canada (CME)	Gary Doer	US
Jan. 18	Canadian Council of Chief Executives	Gary Doer	US
Jan. 20	University of Manitoba	Gary Doer	US
Jan. 20	MacDonald, Dettwiler and Associates	Gary Doer	US
Jan. 21	Canadian Chamber of Commerce	Daniel Sullivan	New York
Feb. 2	CAE Inc.	David Sevigny	Singapore
March 18	Canadian Council of Chief Executives	Gary Doer	US
		Guy Saint-Jacques	US—deputy head of mission
		Kevin O'Shea	US (minister-political)
		Paul Robertson	US (minister-economic)
		Roy Norton	US (minister-congressional)
		Marc Lepage	US (minister-energy/climate change)
March 24	Canadian Bureau for International Education	Ferry de Kerckhove	Egypt
March 28	Canadian Council of Chief Executives	Joseph Caron	India
		Mario Ste-Marie	India (minister-commercial)
March 30	Canadian Council of Chief Executives	Marvin Hildebrand	Mumbai
April 19	CAE Inc.	Wendell Sandford	Brunei
April 20	University of Saskatchewan	Francois Rivest	Guangzhou
May 11	Canadian Council of Chief Executives	David Mulroney	China
June 29	Agrium Inc.	Gary Doer	US
July 14	Canadian Council of Chief Executives	David Mulroney	China
Aug. 17	Toyota Motor Manufacturing Canada Inc.	Jonathan Fried	Japan
Sept. 8	CAMECO Corp.	Stephen Millar	Kazakhstan
Sept. 9	CAMECO Corp.	Stephen Millar	Kazakhstan
Sept. 22	Pembina Institute	Guy Saint-Jacques	climate ambassador
Sept. 24	Canadian Council of Chief Executives	Stewart Beck	India
Sept. 27	BC Lumber Trade Council	Gary Doer	US
Sept. 29	Canada's Research-Based Pharmaceutical Companies	John Gero	World Trade Organization
Oct. 21	Canadian Council of Chief Executives	Guy Saint-Jacques	climate ambassador
Oct. 26	Alliance of Manufacturers and Exporters Canada (CME)	Guy Saint-Jacques	climate ambassador
Oct. 26	Canadian Chamber of Commerce	Gary Doer	US
Nov. 12	General Electric Canada	Gary Doer	US
Nov. 17	Chrysler Canada Inc.	Roy Norton	Detroit
Nov. 19	Talisman Energy Inc.	Daniel Costello	Poland
Nov. 30	Pembina Institute	Guy Saint-Jacques	climate ambassador

—Office of the Commissioner of Lobbying

## Cabinet Shuffle

# Key to Kent may be ability to make allies

Continued from Page 1

It was music to Mr. Barrio's ears. "For me, it was a very nice surprise to see a minister of state knowing so well the realities of Mexico, and making a strong, passionate defence of Mexico," he said.

"I really identified with him. It was really easy to establish a friendship from the beginning. We've been meeting regularly, sometimes to talk of issues of mutual concern, and sometimes just to comment or to chat about everything and nothing in particular."

Mr. Barrio's story about becoming chummy with Mr. Kent, who has been described by critics as the Conservative government's slick, smooth "salesman" of its more unpopular policies, shows just how effective Mr. Kent was at winning people to his side over the last two years.

On Jan. 4, Mr. Kent was named minister of the environment, one of the most high-profile, controversial and important portfolios in Canadian federal government.

In the week since he assumed the portfolio, opposition critics have torn strips off him for being more style than substance, in his defence of the oil sands as "ethical oil."

He has also been accused of being a placeholder for the government's lack of an environment policy, especially after it was revealed that Natural Resources Minister Christian Paradis will chair the Cabinet Committee on Environment and Energy Security.

Perhaps the biggest criticisms come from those who say he refuses to budge from Conservative principles. In certain topics, like the political crisis in Honduras and the 2009 war in Gaza, Mr. Kent earned a reputation as an inflexible, unalterable politician.

But those who have worked with him say Mr. Kent is a man who knows his file well, learning the slightest distinctions and small-

est details, and can use this knowledge to charm and impress.

"He managed to be quite well-liked. He was well-liked in the region, respected, made a good impression, [and] people spoke favourably of him," said Carlo Dade, executive director of the Canadian Foundation for the Americas, a think tank on relations with Latin America and the Caribbean.

It is stories like this that could, more than anything else, demonstrate how he might approach his new role. Although often a brick wall in the media, privately he may focus on impressing key people and earning their trust, enough for him to count them as an ally.



Peter Kent.

### Standing up or refusing to budge?

Mr. Dade, who has been in contact with Mr. Kent several times and whose organization hosted him as a speaker, said the former junior minister had "good outreach to the Hispanic community in Canada." As an example, he pointed to Mr. Kent's attendance at the "10 Most Influential Hispanic Canadians" awards show in Toronto in late 2009.

Mr. Kent showed up with just one staffer and began working the room by himself, said Mr. Dade, going around impressing the candidates with his knowledge of the region.

"He was completely comfortable with talking to people from the region about where they've been; he'd been to several of the countries; he was able to talk about what he had seen, and what Canada was doing," said Mr. Dade. After, he was "instrumental" in getting the group to Ottawa in order to personally meet Prime Minister Stephen Harper.

But Mr. Kent has also made a bit of a repu-

tation getting out in front of the cameras and refusing to budge on the party line—what the Harper government might call its "principles."

In June 2009, leftist Honduran president Manuel Zelaya was ousted in a coup. At the Organization of American States, Canada did not block calls for the suspension of Honduras from the group, or for the peaceful return of its ousted president to power.

However, in his own statement, Mr. Kent refused to call for Mr. Zelaya's return to power, and maintained that Canada would not suspend diplomatic visas or

aid to apply pressure on the new government. This prompted widespread criticism, but he cautioned the *New York Times* that there was a "context" for the events in Honduras—referring to Mr. Zelaya's stated determination to run for an unconstitutional third term in office—and there had to be an "appreciation" for the events that led to the coup.

Peter Hakim, president emeritus and senior fellow of the Inter-American Dialogue, a Washington-based think tank, said it was Mr. Kent's nuanced version of the events that won out in the end as a negotiated settlement was reached and new—though controversial—elections were held.

"He was sort of a voice of a certain degree of caution, that made a lot of sense at the time. We're now finding how difficult it is to walk back some of the OAS decisions," he said.

"Honduras was an issue that tended to divide people along ideological lines, party lines.... Canada voted with the majority to try and reverse the coup, but the point was how you go about it, and what do you do if its not possible."

Mr. Kent's refusal to budge also revealed itself in dramatic fashion in January 2009, when Israel invaded Gaza under "Operation Cast Lead" that saw over 1,000 Palestinians killed versus 10 Israeli soldiers and three civilians.

At one point, an Israeli air strike hit a United Nations school in Gaza, killing 42 Palestinians. That, and other instances in the war, prompted the UN high commissioner for human rights to call for an investigation into possible war crimes.

But when the school was hit, Mr. Kent came out swinging for the Israelis, suggesting it was Hamas that was to blame for the killings because it was using civilians in the school as human shields.

"The burden of responsibility is on Hamas to stop its terrorist rocketing of Israel," he told reporters, when asked about his reaction to the attack.

That made many furious, including the National Council on Canada-Arab Relations, which said Mr. Kent's comments were grossly inappropriate considering he did not have access to credible information when he made the statement.

But throughout the incursion, Mr. Kent continued to stay firm on Canada's support for "Israel's right to defend itself," defending the principled position on the Middle East country that Canada would eventually become famous for promoting at the international level.

With the "ethical oil" controversy, Canadians saw a bit of the principled Mr. Kent in his new job as environment minister. What may be forthcoming—but less visible—is how Mr. Kent approaches the key players in his new file, especially those opposed to the Conservative approach to environmental protection, and attempts to win them to his side.

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# More foreign ministers of state needed: Experts

Continued from Page 1

While Latin American countries have a minister designated specifically for their region, all other ambassadors still have Mr. Cannon as their main point of contact. But that contact is often a source of frustration, as several diplomats told *Embassy* in November. They talked about numerous failed attempts to make appointments to see Mr. Cannon, describing access as extremely strict and in contrast with their own countries' policies.

Having ministers of state represent other regions of the world as part of the foreign policy umbrella—as was the case under previous Canadian governments—would be welcome news to the diplomatic community.

A diplomat from Asia, a region the Harper government has also been trying to strengthen ties with, told *Embassy* that a new position of minister of state representing Asia "would be really great" as it would facilitate access and establish a communication link with a cabinet minister, not just the parliamentary secretary.

"It would speak volumes," the diplomat said. "It would speak to the face of Canada in dealing with foreign relations."

One African diplomat echoed those thoughts, saying that a minister of state could signal that special attention is given to the continent—though the official wasn't holding out much hope.

"The signal for us is that [the Americas] is where the focus will be and the rest is second or third or maybe even left out," the diplomat said.

Increasing the number of ministers of state to deal with other parts of the world would increase communication with the diplomatic corps, said former MP David Kilgour, who himself served as

secretary of state for Latin America and Africa from 1997 to 2002 and later in the same position for Asia-Pacific from 2002 to 2003, both under the government of Jean Chretien.

"The world is just too big for one minister of foreign affairs to deal with everything," said Mr. Kilgour, who believed Mr. Cannon's accessibility issue is an issue of management at the department level. "Particular ministers of state for other regions of the world could put energy into dealing with the diplomats from those areas."

Secretaries of state, just like ministers of state, are assigned to assist Cabinet ministers, but unlike the latter, they are not part of the Cabinet. After coming to power in 2003, former prime minister Paul Martin eliminated this position, using only ministers of state—although none of those positions was set up to aid the foreign affairs minister.

Mr. Harper reinstated the position of secretary of state in 2007, naming Helena Guergis as secretary of state for foreign affairs and international trade. She didn't have a specific geographic focus, though she did spend a great deal of time travelling through the Americas and working on consular issues. Later on, the prime minister created the position of minister of state of foreign affairs for the Americas, naming Mr. Kent to that role.

Former international trade minister David Emerson said appointing more junior ministers under the foreign affairs minister would be beneficial in communicating Canada's messages abroad. The key element,

he added, would be to see these ministers travel as much as possible.

Mr. Emerson said he noticed that many times "there was an empty chair" for Canada at international meetings during his time as trade minister.

"The job of the foreign affairs minister is a really big job, and in a minority Parliament, we are not getting out there as much as we need to," he said. "You always want to limit the size of the Cabinet, but if we could have two or three more people in that position, that would certainly be a good way to communicate with diplomats because the minister of foreign affairs tends, as we have seen in the press, to focus more on meetings with people at his own level."

### New Americas minister

Mr. Emerson said Ms. Ablonczy will be a good communicator in her new position as the minister of state of foreign affairs for the Americas, and she will be very active as well.

"She is a very thoughtful, articulate woman," he said. "If you can deal with people effectively, it goes a long way in foreign affairs."

The former trade minister also described Ms. Ablonczy as someone who has "a very good grasp of economic issues."

A generally unfamiliar face to the diplomatic community, Ms. Ablonczy will have to fill the shoes of the charismatic Mr. Kent, who has been receiving mostly glowing reviews from Latin American and Caribbean foreign representatives in this country.



Diane Ablonczy.

This is Ms. Ablonczy's first formal foreign policy file. For the last year she served as minister of state for seniors, while from October 2008 to the beginning of 2010 she served as minister of state for small business and tourism.

The member of Parliament made the news in July 2009 after a story broke that as minister of state for tourism, her office gave \$400,000 federal money to a gay pride parade in Toronto. Other Conservative MPs were displeased with the decision.

In her 16 years as an MP, Ms. Ablonczy also filled the roles of parliamentary secretary for the minister of finance and, at various times, opposition critic for citizenship and immigration, health and human resources development.

She has been representing the Alberta riding of Calgary-Nose Hill since 1993. Prior to being elected to the House of Commons, she worked as a teacher, managed a grain farm operation and later practiced law. She received her education and law degrees from the University of Calgary. According to a 2002 article by the *Hill Times*, Ms. Ablonczy is also a graduate of Trinity Western University, Canada's only major accredited Christian University. She told the *Hill Times* she joined TWU because she "came from a Christian background and wanted to have faith values considered."

Ms. Ablonczy is also honorary president of the Hoy Sun Association of Calgary, which represents members of the local Chinese and Vietnamese communities.

Mr. Kilgour described Ms. Ablonczy as "intelligent and quick-learning," someone who will do well in managing relations with a constantly changing geographical area.

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# Ivory Coast crisis sets new diplomatic precedent

■ Fellow African envoys surprised by “de-recognition.”

Avinash Gavai

The government’s decision to “de-recognize” Louis Bony as the Ivory Coast’s ambassador took a number of African envoys by surprise and appears to be unprecedented in Canadian diplomatic history.

Western powers and major African states have been trying to pressure Laurent Gbagbo to cede presidency of the Ivory Coast to Alassane Ouattara after the provisional results of a Nov. 28 election showed Mr. Ouattara won with an eight percentage point margin.

But Mr. Gbagbo, who has ruled the world’s top cocoa producer since 2000, has refused to leave his office, resulting in a standoff that has killed more than 200 people and threatened to reignite a civil war in a country with many competing tribes and rival paramilitary groups.

On Dec. 23, the UN General Assembly recognized Mr. Ouattara as the new president and accepted the credentials of Ouattara’s ambassadorial appointee to the UN.

On Dec. 29, the Department of Foreign Affairs followed suit, notifying the embassy in Ottawa that Mr. Bony, who was appointed by Mr. Gbagbo in 2008, was no longer being recognized as an ambassador.

“Canada publicly recognized Mr. Alassane

Ouattara as the legitimately-elected president of Côte d’Ivoire and took note of President Ouattara’s decision to terminate his ambassador’s functions,” a DFAIT spokeswoman said.

The Ivory Coast’s embassy in Ottawa was hesitant in answering questions on the current status of Mr. Bony, who at the time of print is still in Canada.

“What I can say is that we have received a note from Foreign Affairs regarding the departure of our ambassador,” said Éric Camille N’Dry, the first counsellor and now ostensibly the chargé d’affaires. “When we received this, we sent a note to our headquarters from where we are expecting guidance. But right now the ambassador is still in town. That is all I can reveal right now.”

Mr. Bony has not been officially expelled from Canada, and the official diplomatic term of *persona non-grata*—denoting a diplomat considered unacceptable and usually recalled to his or her home nation—has not been used against him, according to DFAIT.

A senior African envoy who did not wish to be identified noted that there was the possibility that Mr. Bony had not returned home yet due to the precariousness of the situation in that country that could potentially have life-threatening consequences.

“For him to go back, it depends on the terms of the negotiations, and what is really happen-

ing on the ground.... This I believe would be a personal decision he would have to take for the protection of himself and his family. But he was appointed to do a job, no matter what the situation is, should be allowed to return unharmed whatever the circumstances,” said the diplomat.

News of Mr. Bony’s “de-recognition” took Canada’s African diplomatic corps by surprise, even by those known to be close to him.

“I had no idea this happened,” said Kenyan High Commissioner Simon Wanyonyi Nabukwesi, who noted that the international community is against Mr. Gbagbo, and that “the legitimate leader [Mr. Ouattara] should be able to choose his own ambassador.”

His colleague from Ghana, a country bordering Ivory Coast, echoed that surprise.

“I’m not aware of this,” said High Commissioner Richard Benjamin Turkson, a friend of Mr. Bony and his wife.

Mr. Turkson said African diplomats in Ottawa would now have to meet to discuss the developments collectively.

On Jan. 6, Mr. Gbagbo’s spokesman said on state television that the Canadian and British ambassadors to the Ivory Coast would have their accreditation rescinded “in accordance with principles of reciprocity.”

However, Prime Minister Stephen Harper told CBC News the next day that Canada would not comply with the expulsion order.

“The government of Canada obviously

does not recognize the expulsion order because we do not recognize the regime that issued it,” said Mr. Harper. “We recognize the legitimately elected leader of the Ivory Coast as the head of the government.”

Canada has a strategic interest in the troubled state, with Canadian investments in that country estimated at over \$1.2 billion, are focused primarily in the all-important oil and mining sectors. Emerging sectors such as education and the environment are also said to be attracting the attention of Canadian companies.

Experts could not remember a time when a sitting head of mission had been actively de-recognized or declared *persona non grata*, but Canada has had troublesome trysts with foreign diplomats in recent times.

In 2007, the government announced that an official from the Embassy of Sudan would be expelled after Canada’s then-top envoy there, Nuala Lawlor, was thrown out of the African state over accusations of “meddling” in Sudanese affairs. In the same year, Iran expelled Canada’s envoy to Tehran John Mundy, after Ottawa refused to approve Iran’s proposed ambassador to Canada.

Politically, there was endorsement of the government’s move, especially in light of the UN measures.

“I don’t have a lot to add to what is a consensus. Not recognizing the Ambassador’s legitimacy here—I believe there’s a consensus in this country on this,” said NDP Foreign Affairs critic Paul Dewar.

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Louis Bony.

# New questions surround Canada-India nuke deal

■ Canadian official questions US effort to avoid responsibility on nuclear rule change.

Carl Meyer

Questions are being raised about Canada’s pending nuclear deal with India after revelations that at least one top Canadian government official was concerned about US efforts to spread responsibility of opening up New Delhi to nuclear trade.

The Agreement for Cooperation in Peaceful Uses of Nuclear Energy, a draft of which was signed last June by Prime Minister Stephen Harper and Indian Prime Minister Manmohan Singh, is expected to come into force this year. It will permit a historic renewal of nuclear trade between Canada and India, after decades of frozen relations that followed India’s use of Canadian civilian nuclear technology in 1974 to build and test a nuclear bomb.

The new Canada-India deal was made possible by a shift in international rules that occurred two years ago when the US Congress approved its own nuclear deal with India. That rule shift occurred because of a successful US and Indian lobby campaign convincing Canada and other members of the Nuclear Suppliers Group—an multi-state body that mandates that civilian nuclear cooperation should only take place between states adhering to a long list of safeguards—to approve an exception for India in its policy.

By approving this exception, Canada and the rest of the NSG were in effect promising to violate the Non-Proliferation Treaty, which bans the trading of nuclear technology and materials to states who are not signatories. India is one of only four nations—along with Israel, Pakistan and North Korea—outside of the treaty, and while it says it is considering NPT membership, it has yet to make any formal move.

But a newly-leaked US diplomatic cable, which summarizes top US disarmament official

Rose Gottemoeller’s meetings in New York last May, shows her Canadian counterpart Marius Grinius worried about how a White House official was framing a 2008 US-India nuclear deal as not primarily a US initiative, but the result of a decision by an international body that counts Canada as a founding member.

The result is that non-proliferation experts are questioning whether Canada is prepared to accept responsibility for holding India to account in regards to nuclear proliferation.

“Generally, there’s a lot of countries, including Canada, who are trying to get on board with India and build up a commercial relationship, and diplomatic relationship, and that’s a good thing. The extent to which Canada will use that to try and build some non-proliferation co-operation remains to be seen,” said Ernie Regehr, a non-proliferation advocate and co-founder of Project Ploughshares.

The Canadian government says its deal with India will “provide “international treaty level assurances that nuclear material, equipment and technology originating in Canada will only be used for civilian, peaceful and non-explosive purposes by partner countries.”

A spokesperson for Foreign Affairs Minister Lawrence Cannon said Canada will only be co-operating with certain civilian nuclear locations that have international safeguards in place..

The diplomatic cable lays bare the friction between political goals and non-proliferation objectives. During the meeting, White House official Adam Scheinman interjected on a question by Mr. Grinius on how the US intended to use the US-India nuclear deal to achieve non-proliferation ambitions, saying that “it was no longer considered the ‘US-India Deal.’” Instead, he called it “the NSG—India Cooperation,” referring to the NSG’s consensus decision.

Mr. Grinius reacted negatively to that statement, saying he “did not think this rebranding was fair” and that instead, his assessment was that “most NSG members ‘gave up’ and ‘joined the bandwagon’ rather than fully supporting a nuclear agreement with India.”

Mr. Grinius’s objection to such a “rebrand-

ing” exposes the dilemma Canada now faces. On one hand, Canada’s approval of the NSG rule change meant that it was free to establish its own civilian nuclear deal with India, something that occurred merely a month after the meeting in New York, and that experts say was welcomed by Canadian industry.

But on the other hand it means Canadian non-proliferation efforts are faced with the uncomfortable position of now having to take ownership of a move that originated with the US desire to broker a deal with India—something that has reportedly been particularly hard to swallow for some more experienced Canadian officials who were around during the 1974 test.

Wade Huntley, a senior lecturer of national security affairs at the Naval Postgraduate School in California and an expert on nuclear disarmament, said the need to press India on export controls and non-proliferation measures was “a common theme” among those who favored accommodating India but resisted “the weaker Indian commitments entailed in the Bush administration initiative.”

In the cable, Mr. Grinius himself wondered about the US commitment to non-proliferation during his meeting, reportedly stating that “before India could enjoy open nuclear trade, it would have to do more in the form of export controls.” Ms. Gottemoeller assured him that “Washington will be much harder on India if they don’t strengthen export controls and non-proliferation measures.”

## Who’s responsible?

Mr. Grinius’s predecessor, Paul Meyer, who served from 2003 to 2007 as Canada’s disarmament representative, told *Embassy* he agreed with Mr. Grinius’s implicit assessment that it was “disingenuous” for the US to depict the deal as an NSG decision, as it was a “direct result of Washington’s unilateral move” to seal its agreement with India despite its non-NPT status.

He argued that while some NSG members “were keen to profit” from the US lead in opening up India to civilian nuclear trade, it would not have happened without the US lobbying efforts.

And he emphasized that the deal was a “body blow” to the NPT because it essentially allowed India to enjoy the benefits of NPT membership without having to sign on to its obligations.

But Mr. Regehr said Canada’s acceptance of the new NSG rules, as well as its enthusiastic nuclear industry, meant that its officials should face the music and take ownership.

“I found it surprising that the ambassador would want to still call this the US-India deal, when Canada didn’t really resist the deal, and in fact the Canadian industry and others in Canada were pretty keen on it,” he said.

Canada did “very little” to resist any change at the NSG, even though other countries like New Zealand and Germany pushed back. He said Canada made it clear “early on” that it would go with the decision of the collective, and if that meant changing the rules, then so be it.

“I don’t think there was ever the Canadian sense on the political side that this was a terrible thing, and we’ve got to try and stop it,” he said.

Mr. Huntley pointed out that Mr. Grinius did not specifically refer to Canada as one of the countries who initially resisted and eventually gave up, so his position is not necessarily contradictory given the Canadian government’s current enthusiasm for its new nuclear deal.

Another factor is that it is possible the Obama administration is not happy with the Bush-era deal, but did not want to rock the boat of US-India reconciliation, and is now seeking a third way. This is the view of Jennifer Simons, a peace researcher whose organization is the principal sponsor of an international initiative that promotes the elimination of nuclear weapons.

“This may be an attempt to distance the Obama Administration from the Bush Administration’s dangerous error by diluting responsibility from the US while carrying through with the Agreement,” she wrote in an email.

A US Embassy spokesperson said Mr. Obama supports Indian membership in all four export control regimes in a phased manner, the first such public statement of support.

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# Editorial Page

## DON'T EXPECT EMBASSY NEWS

In April 2009, Foreign Affairs Minister Lawrence Cannon was presented with a memo related to Canada's diplomatic missions in Sarajevo, Bosnia-Herzegovina; Hamburg, Germany; Cape Town, South Africa; Phnom Penh, Cambodia; and Lilongwe, Malawi.

The government had already decided to close the five embassies and consulates, but the memo in question dealt specifically with communicating those closures to foreign governments, Canadian businesses and expatriates, and the public here at home.

The government, through the Department of Foreign Affairs and International Trade, planned to deliver diplomatic notes to host governments on April 7, 2009. That same day it would inform staff at the affected missions of the closures, meet with Ottawa-based ambassadors and high commissioners, and notify relevant Canadian provincial, territorial and federal governments as well as Canadian companies with "significant" interests in affected countries.

However, according to the memo, which was obtained through Access to Information, "We [DFAIT] were instructed not to issue a public document in Canada."

While the memo to Mr. Cannon doesn't specifically explain why Foreign Affairs was instructed not to say anything to the Canadian public, it does note that "We expect negative media reaction."

Just how negative? Another document predicted: "Critics will position closures as contrary to the Government's stated commitment to reassuring Canadian leadership internationally." It went on to say Canadian businesses in affected countries "will complain about loss of service," while affected host governments "will question/express concern about Canada's commitment to the bilateral relationship." In addition, Foreign Affairs staff, "especially those affected, as well as former [heads of mission] may question the decisions." Diaspora communities and expatriates would complain, and "the media can be expected to cast a critical eye on specific closures, turning to various pundits...to validate their arguments."

There's no denying that these assessments are correct. The decision to close a diplomatic mission, especially an embassy or high commission, is a significant event. This is even more true in an era of globalization and increased international activity.

Yet that is no reason to keep such a decision secret. When a tough decision is made, it should be explained and defended.

Unfortunately, trying to slip things by is a tactic the Harper government has made into an art-form, with even foreign governments caught unawares by a secret decision.

A number of ambassadors and high commissions who said the announcement in February 2009 that they were being dropped as bilateral aid partners caught them by surprise. This despite the fact the process was well along by the time the news broke. It's clear the government was trying not to create a stir and was quietly implementing a major change in aid policy.

The same holds true for the imposition of visa requirements on the Czech Republic; diplomats at the embassy in Ottawa said they didn't see it coming and were left scrambling as hundreds of Czech summer tourists suddenly found their travel plans to Canada put in jeopardy.

There have been ongoing reports that the Harper government is planning to close more Canadian diplomatic missions in the near future, largely in Africa. When asked for confirmation, the government says it doesn't respond to rumours.

The fact is the only thing the Harper government responds to is public opinion polls. Its nearly single-minded focus on winning a majority government means that it tries to sneak past many decisions it feels could prove unpopular and put it in a negative light, even if not announcing a change will have ramifications for numerous stakeholders. This is no way to run a respectable government or Canadian foreign policy.



## The future of food riots



**GWYNNE DYER**

If all the food in the world were shared out evenly, there would be enough to go around. That has been true for centuries now: if food was scarce, the problem was that it wasn't in the right place, but there was no global shortage. However, that will not be true much longer.

The food riots began in Algeria more than a week ago, and they are going to spread. During the last global food shortage, in 2008, there was serious rioting in Mexico, Indonesia and Egypt. We may expect to see that again this time, only bigger and more widespread.

Most people in these countries live in a cash economy, and a large proportion live in cities. They buy their food, they don't grow it. That makes them very vulnerable because they have to eat almost as much as people in rich countries do, but their incomes are much lower.

The poor, urban multitudes in these countries (including China and India) spend up to half of their entire income on food, compared to only about 10 per cent in the rich countries. When food prices soar, these people quickly find that they simply lack the money to go on feeding themselves and their children properly—and food prices now are at an all-time high.

"We are entering a danger territory," said Abdolreza Abbassian, chief economist at the Food and Agriculture Organization, on Jan. 5. The price of a basket of cereals, oils, dairy, meat and sugar that reflects global consumption patterns has risen steadily for six months, and has just broken through the previous record, set during the last food panic in June 2008.

"There is still room for prices to go up much higher," Abbassian added, "if, for example, the dry conditions in Argentina become a drought, and if we start having problems with winter kill in the northern hemisphere for the wheat crops." After the loss of at least a third of the Russian and Ukrainian grain crop in last summer's heat wave and the devastating floods in Australia and Pakistan, there's no margin for error left.

It was Russia and India banning grain exports in order to keep domestic prices down that set the food prices on the international market soaring. Most countries cannot insulate themselves from this global price rise, because they depend on imports for a lot of domestic consumption. But that means that

a lot of their population cannot buy enough food for their families, so they go hungry. Then they get angry, and the riots start.

Is this food emergency a result of global warming? Maybe, but all these droughts, heat waves and floods could also just be a run of really bad luck. What is nearly certain is that the warming will continue, and that in the future there will be many more weather disasters due to climate change. Food production is going to take a big hit.

Global food prices are already spiking whenever there are a few local crop failures, because the supply barely meets demand even now. As the big emerging economies grow, Chinese and Indian and Indonesian citizens eat more meat, which places a great strain on grain supplies. Moreover, world population is now passing through seven billion, on its way to nine billion by 2050. We will need a lot more food than we used to.

Some short-term fixes are possible. If the US government ended the subsidies for growing corn for "bio-fuels," it would return about a quarter of US crop land to food production. If people ate a little less meat, if more African land was brought into production, if more food was eaten and less was thrown away, then maybe we could buy ourselves another 15 or 20 years before demand really outstripped supply.

On the other hand, about a third of all the irrigated land in the world depends on pumping groundwater up from aquifers that are rapidly depleting. When the flow of irrigation water stops, the yield of that highly productive land will drop hugely. Desertification is spreading in many regions, and a large amount of good agricultural land is simply being paved over each year. We have a serious problem here.

Climate change is going to make the situation immeasurably worse. The modest warming that we have experienced so far may not be the main cause of the floods, droughts and violent storms that have hurt this year's crops, but the rise in temperature will continue because we cannot find the political will to stop the greenhouse-gas emissions.

The rule of thumb is that we lose about 10 per cent of world food production for every rise of one degree C in average global temperature. So the shortages will grow and the price of food will rise inexorably over the years. The riots will return again and again.

In some places the rioting will turn into revolution. In others, the rioters will become refugees and push up against the borders of countries that don't want to let them in. Or maybe we can get the warming under control before it does too much damage. Hold your breath, squeeze your eyes tight shut, and wish for a miracle.

*editor@embassymag.ca*

### WITH FRIENDS LIKE THESE...

## Quote of the Week

"That's just not how you treat allies, and I think tells us you better pick your friends pretty carefully in the future.... Could you imagine after 9/11 if the Americans had come to the Canadian government and said, 'We need help on something to do with security' [and we said] 'Well, only if you do something on Buy America.' I mean, give me a break."

—Prime Minister Stephen Harper to QMI Agency on Jan. 7 on the dispute with the UAE over Emirates airline.

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# If God is for us, who can be against us?



SCOTT TAYLOR  
*Inside Defence*

Propaganda is a powerful weapon and one that is invariably viewed as a necessary evil during conflicts.

All religions of the world include a variation of the “thou shalt not kill” commandment and, due to our human empathy, it is not in our instincts to kill a fellow man.

Given that organized religions are often the mask employed by profit-driven enterprises—be they empires or corporations—to instigate wars, this conundrum results in the necessity to dehumanize our potential enemies.

A classic example of this would be when former chief of the defence staff Rick Hillier described the Taliban as being “scumbags and murderers.” Conversely, whenever Canadian military officials describe the sacrifice made by our soldiers, these casualties are referred to as “Canada’s sons and daughters.”

What is interesting to observe is the fact that propaganda of this sort has no lasting impact on the short-term memories of the intended audience.

For instance, during the Cold War, it was all things communist that were considered evil and therefore anyone opposed to the Soviet Union was worthy of our support.

It was to this end that the US media machine sold us on the valiant Afghan mujahedeen battling the evil Soviets during the 1980s. The ensuing public support allowed the CIA to furnish the Islamic extremists with sophisticated weaponry, which turned Afghanistan into a military nightmare for Moscow.

As a result, instead of allowing the Afghan communist regime to assert central authority and create a socialist state with equality for women and functioning government services such as modern medical facilities and education, US arms and money insured that the Islamic extremists would regain control.

In those days there was no protesting of the mujahedeen’s subjugation of women because Hollywood portrayed this conflict as a victory for the primitive savages who successfully defended their religious freedom from communism. If you don’t believe this, do me a favour and rent yourself a copy of *Rambo III*, wherein Sylvester Stallone fights alongside the Afghan freedom fighters. The original movie dedication is “to the brave Mujahedeen of Afghanistan.”

More recently, the Western propaganda machine effectively demonized the Orthodox Christian Serbs during the breakup of Yugoslavia to pave the way for NATO intervention on behalf of the Bosnian Muslims and Albanian Muslims in Kosovo. To level the military playing field in Bosnia, the Pentagon actually helped to facilitate the importation of some 1,500 foreign mujahedeen Islamic fighters. That, of course, was before 9/11.

After that cataclysmic event, the Bush administration did its level best to convince the West that we were now engaged in a mortal struggle against Islam. Just five days after



When chief of defence staff Rick Hillier described the Taliban as “scumbags and murderers,” it was a classic example of propaganda, Scott Taylor writes.

the attack, President George Bush actually uttered the “c” word to describe America’s new war on terrorism. Wiser advisers eventually convinced Bush to drop the word “crusade” from his wartime rhetoric.

However, the damage was already done. Again, thanks to Hollywood, the Crusades—a series of bloody campaigns fought largely between the Christian and Muslim world from the 11<sup>th</sup> century to the 15<sup>th</sup>—have been dumbed down to a premise of noble white knights protecting religious pilgrims from rapacious Turks.

Reality was, of course, quite different as the majority of the Christian soldiers were, in fact, criminals, rapists and murderers seeking the divine absolution promised to them by Pope Urban II. In a familiar sounding twist, Urban also promised the Crusaders heavenly rewards if they were killed fighting the Muslim infidels.

The French, or Frank, contingent dispatched to Palestine actually didn’t bother to discriminate between Muslims and the Christian pilgrims they were purporting to protect; they raped and killed them both. Needless to say, the term “crusade” invokes a totally different response from those in the Muslim world.

I had a first-hand experience with this during my five days as a hostage in Iraq. My captors were Ansar al-Islam followers, essentially a chapter of al Qaeda in Iraq.

Following my release, many people asked me why I had not simply explained to them that I was a “Canadian” and not an “American.” To this I needed to explain that, in this predominantly illiterate corner of northwestern Iraq, the Muslim clerics were also the educators. During my captivity they invariably referred to me as “The Frank,” which is the generic term they use to define all despised crusaders. As such, they were hardly going to distinguish between an American and a Canadian.

What we need to remember when dealing with propaganda is that never in history have people fought for a cause which they believe to be evil. Everyone believes they are the forces of good. Hitler’s stormtroopers wore belt buckles that read “Gott mit uns” (God’s with us). Only Hollywood invents characters like Mike Myers’s Dr. Evil. In the real world, there is good and bad on both sides.

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# Wikileaks’ short-term damage, long-term gains

DARYL COPELAND

Looking back over the key developments affecting international relations during 2010, the continuing release of more than 250,000 US diplomatic cables stands out as especially significant.

The story broke just over a month ago and has been with us every day since, and yet there is much, much more to come.

The content of individual messages appears to have had only fleeting impact, notwithstanding some initial concerns regarding possible damage to the fabric of bilateral relationships.

Had the more sensational revelations been introduced singly and over time, each individual issue might have generated its own momentum. Instead, even the most newsworthy releases have been quickly overtaken by the appearance of newer material, or lost in the ever-growing trove of documents available for review.

The effect has been somewhat numbing. With the possible exception of a handful of diplomatic scholars and a relatively few dedicated analysts, most readers seem already to have reached or exceeded the point of overdose, or have been distracted by the gossip and legal problems besetting the site’s founder.

It may be that some unanticipated or salacious headlines will again elicit broad interest in this data deluge. In the meantime, however, there are several larger implications which merit more sustained examination.

In a piece penned in the immediate aftermath of the first round of releases, I argued

that over time, the image and reputation of diplomacy stands actually to benefit from this demonstration of the trade’s relevance and effectiveness.

Indeed, over the interim period, several of the State Department’s critics have allowed that their opinion of the place has improved. Diplomats are shown to be working very hard at their jobs, and adding unique value by advocating policies, pursuing interests, and providing advice and analysis to policy and decision-makers.

That case, I believe, stands. For the first time in many years, interest in diplomacy has migrated from the esoteric margins of public consciousness into the cultural mainstream. The brand has been burnished, and the world’s second-oldest profession may come to be seen in a more sympathetic light as a result.

On the other side of the ledger, a likely short-term effect could be a general chill on diplomatic exchange. This form of international political communication is based typically on interpersonal confidence, trust and respect, the very attributes which have been subverted by the WikiLeaks revelations.

Higher levels of classification, more limited distribution, fewer written records, and recourse to other forms of transmission, such as secure telephony, can accordingly be predicted. All of that is negative.

That said, governments will always have business to transact among and between themselves, and that business can accumulate quite rapidly.

Concerns over the militarization of international policy are finally coming to the fore; given the limited possibilities associated with the remedial use of hard power in

the age of globalization, there are very few practical alternatives to inter-state dialogue, negotiation and compromise. This is particularly true in addressing the host of issues which are rooted in science and driven by technology, none of which are amenable to the application of armed force.

Governments really have no choice but to keep talking, and for that reason, any costs imposed on diplomatic practice are likely to prove temporary.

On the losing end, there have in my estimation been two principal casualties. The first is American foreign policy, and that country’s overall place and standing in the world.

Viewed as a whole, these cables do not illustrate the seamless inner workings or high-level strategic calculus of an empire at the top of its game. Instead, readers are offered chronicles of something akin to imperial retreat—snapshots of defensive, rearguard actions and generalized geopolitical disarray. Given the magnitude of the recession still besetting the USA, for example, one might have expected to see intensive coverage of the various national responses to the global financial crisis. Economic reporting, however, has been notable mainly for its absence.

That is surprising indeed, and suggests a lack of priorities and direction.

The second casualty, ironically, may be the public interest. I generally favour openness, transparency and disclosure, but not at all times or in all things. I would not want to see sensitive, pro-democracy sources in China or Zimbabwe, for instance, exposed in the name of information freedom.

Similarly, serving up a list of critical infrastructure and facilities, and in so doing poten-

tially facilitating the work of terrorists, seems to me inimical to the common good. Even if the locations are not a secret, why ease the research requirements, or make available the government’s estimation of sensitive targets?

The public revelation of government wrongdoing or corruption usually makes good democratic and governance sense. But probity and disclosure are not the main issues here.

In that respect, I have detected something slightly curious about this episode from the start. The WikiLeaks site—if it ever reappears—is not a wiki, these cables do not constitute “leaks,” and the entire exercise seems far removed from anything which could be associated with whistle-blowing. I see little in this which serves any elevated moral or public policy purpose.

Rather, it seems to have been done mainly because the means were available.

Is this, then, a “Napster moment” for the state, one from which there is no turning back? Perhaps. The wholesale dumping of classified documents, the content of which was often obtained in confidence, certainly makes mischief and attracts attention.

But is it something to celebrate? That is less clear. Sure, much of the reporting makes fascinating reading. Yet this kind of splatter-gun discharge violates privacy and does not align well with the rule of law.

Even with waning public and media interest, the complexity remains. We are far from the end of this story.

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## Haiti: One Year Later

# The importance of remaining committed

CARLO DADE

A year after the devastating earthquake, the world has once again dropped in to visit Haiti. The news is neither good nor are the photos encouraging. Yet that is as much a function of unrealistic expectations as of the dysfunction that has detracted from the truly massive and remarkable post-disaster undertaking initiated by the international community and Haitians.

Even before the earthquake, the task facing those engaged in Haiti's development was immense. The country had been hit by a series of major tropical storms in 2008 that destroyed infrastructure and crops, left the third-largest city underwater and killed close to 1,000 people.

Then came the earthquake. Infrastructure in Port-au-Prince that had largely been spared from the earlier storms now lay in ruins. Close to a quarter-million people were killed, including an estimated 20 per cent of Haiti's civil servants and many United Nations staff.

Although it is easy to be overwhelmed by what has not been done, progress has been made: over 40 per cent of reconstruction money has been disbursed and another 30 per cent has been allocated. Most importantly, the international community has managed to house, feed and provide sanitation and medical care at most of the camps, which are now home to roughly a million people.

However, relief and reconstruction are only part of the solution for Haiti, and perhaps not even the most important.

Research from the Inter-American Development Bank shows that after a decade, the economies of countries hit by a major natural disaster perform as well as similar national economies not affected by such disasters.

Infrastructure—human and physical—is only one factor in economic growth and good governance; what really makes a difference is the quality of institutions. And institution building is the main challenge in Haiti.

Progress on this front will be much harder to measure than relief and rebuilding, and will likely not make the 10 o'clock news.

The challenge of building strong institutions in the country is highlighted by the current election mess.

The election campaign did not produce a discussion about the future of the country, nor was there any presentation or discussion of concrete platforms for a national agenda. Rather, Haiti has been left with a campaign about nothing more than who would take power.

The train wreck that we saw unfolding had been in the making for some time. Over the summer, the government of Haitian President René Préal, despite entreaties from the candidates, the international community, ambassadors in Port-au-Prince and the Haitian private sector, refused to even entertain the idea of making changes to the Provisional Electoral Commission (CEP) that is responsible for organizing and running elections. With the CEP firmly under the ruling party's control, no one in the country or the international community was reassured that free and fair elections could take place.

Not that there was much choice. If elections did not take place on time then an interim government would have been required for the period, likely longer than a year, between the expiration of the current government's mandate and the formation of a new government. This would have been a tremendous setback to the process of restoring democracy and to effective rebuilding. So the elections had to take place.

The international community did push for more transparency and did try to provide security at voting stations. Clearly, more resources were needed for both efforts.

The election-day fiasco not only turned into an embarrassment for all concerned, but it is testing international resolve to work with the government; US Senator Patrick Leahy's call for freezing of funds to Haiti was probably one of the more restrained reactions in the US.

The election also brings into stark focus the need for a public understanding of

the nature of the partnership between the Haitian people and the international community. The cost of the election is estimated at US\$30 million, but was likely higher. Canada contributed C\$5.8 million while the Haitian state contributed US\$5 million.

But worse than being on the hook for financing an election uniformly seen by Haitians to be fraudulent and illegitimate, the international community in Haiti, including police officers from Montreal, will be forced to protect and enforce the will of whatever government emerges from this process.

There is time to fix the situation. This summer, the Haitian parliament voted to allow President Préal to remain in office until May 14 if a successor was not in place by the official transfer-of-power date of Feb. 7. Thus there is an eight-week window that could allow for a thorough recount of votes, for challenges to the results and for a more legitimate second round of elections.

The UN can correct the more egregious of the first-round practices, notably by having its troops deliver ballots, camp out at the polling sites with those ballots, stand watch during voting and recording of results, and transport ballots to the counting centre.

But again, more than technical fixes are required and there needs to be a clearer understanding by the Haitian people of the respective responsibilities of the international community and the Haitian government.

Given the huge imbalance in funding and technical capacity between donors and the Haitian state, decision making in Haiti is and will remain a joint exercise between the country's government and the international community. Having Haiti take the lead in reconstruction and rebuilding is proving to be more of a longer-term aspiration than a short-term operational reality.

While the international community cannot and should never tell the government what to do, it can and must explain what it will not pay for. A good but painful starting point in this dialogue is the current debate about the elections.



UN Photo Logan Abassi

Clean and fair elections to form a legitimate government are as important for the people of Haiti as they are for the international community. An inclusive and widely disseminated national debate, perhaps a form of *États généraux* led by prominent former heads of state, may be the only chance to forge the consensus on priorities that can help get the country back on track. It would give Haiti the direction it lacks, give donors the confidence to continue and give the Haitian people some sense that decision-makers actually are concerned with their welfare.

But whatever comes from the current situation, we—Haitians and the international community—need to remember that this is going to be a long-term process and one that will not be easy. Success is never assured but, should we not remain committed, then failure is.

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## A country at a crossroads

DAVID MORLEY

Eddy Pascal School was three stories tall. Located in a rented building in one of Port-au-Prince's struggling neighbourhoods, it provided education to 400 children. The teachers were motivated and innovative.

When the earthquake hit on Jan. 12, 2010, the school collapsed. The three floors pancaked and the school was rubble. Fortunately no one was in the building at the time. "But," Eddy told me, "four of our students died in their homes."

Save the Children has been in Haiti for over 30 years working with the government and community organizations like the Eddy Pascal School to improve the well-being of children through health-care and education programs. It was never an easy country to work in.

Before January 2010, Haiti was the poorest country in the Western hemisphere, with the highest infant, child and maternal mortality of Latin America and the Caribbean. Haiti had more than 225,000 children in forced domestic service.

Decades of dictatorship followed by years of political instability had left the government weak and NGOs both large and small were forced to fill the void left by inadequate public services.

It's been reported that 4,000 schools were destroyed in the earthquake. The government plans to rebuild 130 of them this year, but Save the Children will build almost half as many again ourselves.

If the government is only able to build twice as many schools as one aid agency, well, that helps explain why the free public-school system only reaches 15 per cent of the school-age population. Another 35 per cent of Haitian children attend private schools. Fewer than half the children in the country reach Grade 6.

As co-lead of the UN Education Cluster, Save the Children will continue our pre-earthquake work in teacher training, developing the human capital which is so vital if Haiti's children are to have a chance. Post earthquake, we also have to work to build and rehabilitate schools—children cannot meet their full potential if they have to learn in muddy tents and under shredded tarps.

But the building of schools has been slowed by some of the same problems that have left hundreds of thousands of people in tent cities: land rights.

"We know the tents aren't the best thing for the classrooms, but rebuilding a school right away isn't easy either," said Amber, our program manager for Port-au-Prince. "We don't want to build on land that has no clear title; if we do and another owner is recognized, they could claim the land and the building and turn it into a restaurant or shop."

Haiti and the relief effort are at a crossroads. This is the moment where the Haitian government, international donors and NGOs must find better ways to work together if we are to help the Haitian people rebuild, if we are to give them reason to continue to hope.

The Government of Haiti must first find a fair and credible resolution to the election. There is no question that reconstruction efforts, not to mention efforts to contain the cholera outbreak, are being hampered by the ongoing political instability and civil unrest.

Once the election is resolved, co-ordinated leadership from the government of Haiti backed by lead donor countries like Canada is vital if we are to succeed in our efforts to speed up development. Once a new Haitian government is in place, Prime Minister Harper should invite it, donor countries and NGOs to again meet in Montreal to plan the next steps toward long-term recovery.

International donors pledged \$5.75 billion for Haiti, but as of November, only 42 per cent had been disbursed. These promises must be kept. Donors must also deliver the \$174 million in pledges made in response to the World Health Organization's cholera appeal.

Donors must stress accountability in the use of aid resources and ensure that aid strengthens the institutions governing Haiti's recovery and development. The Haitian

government and donors, in partnership with universities and NGOs operating in Haiti, can help nurture the skills of Haitian civil servants to better manage the needs of Haiti's people.

The recovery effort can no longer be slowed by custom delays at ports and border crossings. International governments should provide civil service training and technological support to the Haitian government to speed up processing.

To move displaced Haitians to permanent homes, and to build the number of schools necessary to meet the needs of the children, the Haitian government will have to address the land tenure/rights situation.

Today there are empty properties that would be perfect for purchase by eminent domain. These lands could be developed into thriving communities for Haitians who were renters before the earthquake and who have been reduced to squatters today.

Finally, all improvements must be sustainable. Longer-term, substantial and sustained investments are especially needed to strengthen the education sector and enable the Ministry of Education to assume the leadership and oversight role required to achieve the goal of universal access to education.

Putting more efforts into education now will pay enormous dividends for Haiti in the future, because more educated Haitians will be able to tackle the hard problems which will face this country in the years to come as they build Haiti back better.

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## Haiti: One Year Later

## ‘Canada is trying to be very careful’

Continued from Page 1

But while experts credit the Canadian government for its quick relief response, a year after the disaster struck there is a sense of disappointment in some corners that the rebuilding of Haiti has not taken on the prominence in Canadian policy that many were expecting. In fact, even the efforts Canada has made appear to be wreathed in confusion, with more questions than answers.

The problem, experts say, is that the initial international optimism to build a new Haiti has been overtaken by the realities of political and social instability in a weak state, which make international donor co-ordination difficult and aid disbursement challenging.

**Government or not?**

Only two weeks after the earthquake, the Canadian government hosted a conference in Montreal on Jan. 25 that saw foreign ministers from more than a dozen countries come together with representatives of other international bodies, including development banks and NGOs, in an effort to shape the roadmap for Haiti's reconstruction.

According to a spokesperson at the Canadian International Development Agency, the Canadian government has provided \$150.15 million in humanitarian assistance to Haiti, which includes money to Canadian NGOs and UN humanitarian organizations, including the World Food Program.

At the International Donors' Conference at the UN on March 31, Canada also announced \$400 million to support the Action Plan for National Recovery and Development and Haiti, a reconstruction roadmap put together by the Haitian government. Adding everything up with the \$550 million already pledged from 2006 to 2011 for Canada's largest aid recipient in the Americas, the government's total contribution to Haiti surpasses \$1 billion over this five-year period.

The federal government also sent about 2,000 Canadian Forces personnel to Haiti in the first months after the earthquake, including military medical staff. It also fast-tracked the process of adoption of hundreds of children from Haiti.

But the actual disbursement of funds has been slow, said Stephen Baranyi, professor at the University of Ottawa's School of International Development and Global Studies.

"Canada has been quick on pledges, but it's more difficult to move money out of Ottawa," he said.

Haitian Chargé d'Affaires Nathalie Gissel-Ménos also said there has been confusion over how much of the pledged international money has been delivered. This confusion, she said, does not only come from Canada, but from the entire international community. She said she is not sure how much money Canada allocated from the total it pledged, but at the international level the ratio is at about 20 per cent.

"When you hear that much help promised, your hopes are raised, and the hopes are very high," she said. Then when the promises aren't met, she said, people's hopes are "suddenly brought down to almost nothing."

In addition, the Canadian Press reported on Jan. 11 that the Canadian government turned down a plea to extend its military relief effort in Haiti beyond the end of Canada's official relief mandate. In an interview, the UN's head of humanitarian aid in Haiti, Nigel Fisher, said there was a "strong request" to keep Canadian military engineers in the country because they had been effective in clearing rubble and reopen roads. Still, the military packed up after two months and returned to Canada.

Things appear to have bogged down around the six-month mark, when humanitar-



The presidential palace in Port-au-Prince collapsed after the Jan. 12, 2010.



ian relief efforts were expected to transition to more long-term development, said Tim Donais, professor in the department of global studies at Wilfrid Laurier University, who specializes in post-conflict peacebuilding.

"At the beginning, there was certainly an honest and straightforward desire for Canada to take on Haiti as a key development partner," he said. "There was a lot of optimism. But that optimism might have contributed to overlooking some of the fundamental political issues that didn't go away because of the earthquake."

Haiti is the poorest country in the Americas and has been marred by political violence throughout its history, having experienced many political coups. The country's government is seen as weak and unstable, with high corruption and crime rates. Canada's engagement in Haiti goes back years before the earthquake hit, as this country's foreign policy focus on the Americas have made the Caribbean nation a priority.

Taking on an even greater commitment towards the rebuilding of Haiti after the earthquake appeared to be a natural transition to a new signature Canadian foreign policy for this government, especially as the Afghanistan mission draws to an end, Mr. Donais said.

"Canada's commitments, on paper, have been that of a leading donor," he said. "But given the challenges and the obstacles, there might have been some rethink over how much Canada wants to be seen as having tied itself to long-term development of Haiti."

The political violence resulting from the first round of disputed presidential elections in November hasn't done the country any favours. The second round of elections has not yet been scheduled, but there are already grumbles from some donors questioning the wisdom of working with the Haitian government, or going through other channels. It appears Canada has made its decision.

"I have the feeling that Canada has taken a step back and is trying to be very careful where they are stepping and really managing their contribution very cautiously, by going through bilateral and multilateral ways and working with the biggest NGOs," said Ms. Gissel-Ménos. "It's what I see, what I hear, what I read. It's my deduction."

There are pros and cons to this, experts say. Providing clean water and emergency shelter can be achieved through non-governmental organizations without having to rely on the infrastructure of the country itself, Mr. Donais said, but governance becomes important once institutional changes are needed.

Since the Haitian government has a reputation of being inefficient and corrupt, donors tend to channel money through external groups, but this bypassing does not generate any capacity for the government, Mr. Donais said, and puts all the development efforts at a long-term risk.

International donors have been taking this path for years, Mr. Baranyi said, since this

"stumbling block" in the form of a weak Haitian government has made it difficult for donors to find "legitimate partners" on the ground.

The earthquake, and the increased foreign presence in Haiti, only aggravated this dynamic, he added.

"It is very important that donors like Canada reinvest in the Haitian state to reclaim its ground as leader of all reconstruction initiatives," Mr. Baranyi said.

A report released by Oxfam on Jan. 6, tracing the reconstruction efforts of the Haitian state, international donors and non-governmental groups over the last year, makes a very similar point.

"The international community has not done enough to support good governance and effective leadership in Haiti," the report reads. "Many aid agencies continue to bypass local and national authorities in the delivery of assistance, while donors are not coordinating their actions or adequately consulting the Haitian people and key government ministries when taking decisions that will affect Haiti's future."

The international community believes things must be done in a certain way, said Ms. Gissel-Ménos, but those visions are not easily compatible with Haiti's complex realities.

"There are priorities that the international community thinks should exist," she said. "Now, the government living the realities of things on site, I think may know better what those priorities really are. I think in that sense, sitting down, communicating and explaining to each other and getting all the expertise, international and local, to me that's the only way to success."

The problem is that Canada's overall approach towards Haiti—and that of all other major donors—has been flawed from the beginning, and has become even more pronounced after the earthquake, said Yasmine Shamsie, professor at Wilfrid Laurier University, whose research is focused on peacebuilding efforts in Haiti.

Canada views Haiti as a fragile state, she said, but while there are deadlocks at times among political elites, where political power means economic power, the concept of the country being a fragile state is problematic because there is no civil war or insurgency in the small Caribbean country.

Another issue added to the development dynamic is that "three quarters of what we do in Haiti is about justifying our aid dollars to Canadian tax payers," she said.

"The government feels it is accountable to Canadians, while at the same time saying it is accountable to the Haitian government," she said. "It is a dynamic that drives all donor aid in Haiti unfortunately, including Canada's."

This is what has made international development co-ordination so difficult in Haiti, Mr. Donais said. Since international donors have to return with concrete results to the domestic public, many of them "fly the flag" around their own projects.

"It's easy to say 'We've built so many schools and we trained so many police officers,'" he said. "But to me the heart of the problem in the case of Haiti is how do you create a government responsible and accountable to serving the citizenry that elected it."

**What can Canada do more?**

Although Canada has focused many of its projects on security and judicial reform, which are important tasks, Mr. Baranyi said Canada could balance its portfolio by focusing more on economic and social issues. In the context of the current Haitian elections, the Canadian government should use its diplomatic clout to encourage coalition-building among political forces while also strengthening citizens' democratic participation in policy processes.

Canada should also give more aid to agricultural projects, as this is an important sector that can create jobs in the rural areas and address the issue of food security in the poor country, Mr. Baranyi added.

Ms. Shamsie agreed, adding that the Canadian government should consider changing its position towards free trade agreements by allowing the Haitian government "to put tariffs on certain products if it feels the need, in order to ensure the country can feed its people."

On Jan. 11, CIDA Minister Bev Oda announced Canada's aid agency would be funding a number of agricultural projects that would tackle food security and provide financial credit to agricultural enterprises.

Canada could also push for higher international co-ordination at the highest political level and "allow itself to be led rather than being a leader," Mr. Donais said, if there is a coherent development strategy in place that highlights the Haitian government's priorities.

"If this is going to be successful it has to be not about what Canada can get out of it in terms of domestic credibility and international reputation, but the difference it can make in the lives of Haitian, and that requires a different approach, a more altruistic one," he said.

The need for international co-ordination has also been recognized by non-governmental groups on the ground.

Groups like the Canadian Red Cross, which so far has received a total of \$54.2 million from CIDA, are still focused on providing relief to Haitians even a year after the earthquake due to the high scale of devastation, said Pam Aung Thin, the organization's spokesperson.

But Ms. Aung Thin also emphasized the need to have a long-term development strategy for Haiti.

"We know as an organization that we will be there for at least 10 years in the rebuilding stage," she said. The Red Cross works within its own system to ensure internal co-ordination among its different branches, "but that has to be co-ordinated with governments and other NGOs to avoid overlap."

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## Opinion

## Jason Kenney vs. the Catholic bishops

JIM CRESKEY



**Y**ou wonder today why all these people are up shouting at one another in Question Period," the late Canadian political journalist Marjorie Nichols wrote 17 years ago. "Well, it's because they are uncivil people, they are untutored. It's like inviting people who eat with their fingers to a banquet."

A bit of hyperbole that Nichols used to describe federal politics during the Mulroney years. Truth is, there were (and still are) many "tutored and civil" MPs and ministers, and I'm sure most if not all of them use their knives, forks or chop sticks.

But were Nichols alive today, she might find the shouting and incivility of the 1980s Ottawa paling in comparison to the increasingly septic political discourse of the Harper government's Parliament.

Today, political discourse is frequently no longer a discourse at all but expressions in word and deed of raw ambition for partisan power.

Everyone knows what raw ambition looks like. Its ugly traits surface not just in politics but everywhere, regardless of rank or class. It cares little for the facts. It discredits the person on the other side of an argument instead of addressing the substance of the issue. It turns its back on the unknown truths that can sometimes be discovered in honest dialogue. And it never, never backs down.

Because it is ruled by partisan advantage it is always predictable. No chance of new and better ideas emerge in this kind of discourse. And, for that reason, it is extremely boring.

No wonder Canadians in increasingly large numbers don't want to follow federal political debates that are only about winning and not about substance.

In the US, Republican political campaign gurus Lee Atwater and Karl Rove were credited with turning this kind of political ambition into a dark art. From Ronald Reagan to George W. Bush, they taught their clients that only winning mattered. Good and useful debate fell by the wayside.

In Canada, the hallmarks of that kind of political transformation are turning up with alarming frequency, often when least expected. Like the dying days of 2010, in an arena as unlikely as Canada's Catholic press.

The country's Roman Catholic bishops had been looking at the government's new human smuggling bill, C-49. The bishops' discovered that the bill aims to build detention centres to house certain refugee claimants as well as withhold family reunification and other basic rights.

Rightfully, and perhaps in part because Christianity is a religion founded on a refugee family—Jesus, Mary and Joseph—the bishops publicly objected to the government bill. The bishops sent an open letter to Prime Minister Stephen Harper and Immigration Minister Jason Kenney, who also happens to be a Catholic.

"References by representatives of your government to 'bogus' refugee claimants undermine Canada's obligations to refugee protection and question the credibility of refugees fleeing persecution and seeking



Immigration Minister Jason Kenney has launched a war of words with Catholic bishops across Canada over the government's anti-human smuggling bill, C-49.

to have their rights recognized," the letter read. "They also foster hostility towards refugees and fuel xenophobia in general."

The letter was also signed by leaders of the United Church, the Anglican Church, the Christian Reformed Church in North America, the Evangelical Lutheran Church and the Council of the Muslim Community. It simply asked that Harper meet with these religious leaders before he consider the drastic changes to the refugee system called for in Bill C-49.

Kenney might have responded to the bishops' criticism the way Catholics the world over have done on matters of conscience for centuries: argued heatedly and in passionate detail.

But Kenney would have none of it. Instead, he just shot down the bishops for being too dumb to know what they were talking about, and that they were being manipulated by their non-clerical staff.

The letter reflects a "long tradition of

ideological bureaucrats who work for the bishops' conference producing political letters signed by pastors who may not have specialized knowledge in certain areas of policy," Mr. Kenney told Deborah Gyapong of the Canadian Catholic News service.

Instead of taking a hard public look at a bill widely seen as flawed, Kenney leapt into *argumentum ad holmium*—arguments about the person instead of the idea. Something my old Jesuit logic teacher taught me never to do.

Kenney must have missed that class.

But it's not too late to catch up. The immigration minister and the PM have a great deal to learn about how Canada's refugee system works in practice—if only they will step out of their partisan cocoon. A good place to begin might be a meeting with Canada's religious leaders, followed by a consultation with the many church groups who volunteer their time and money working with refugees.

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## Investing in Africa: Pain or promise?

JOHN SCHRAM

**C**anadians might be forgiven this week for laughing at the idea of investing in Africa. Africa is often known in Canada for its risks, not its potential, and Canadian businesses are unlikely to be reassured by fulsome media reports of two would-be-presidents competing for power in the Ivory Coast, or by sceptical commentators predicting chaos after this week's independence referendum in southern Sudan.

Both stories imply the very real prospect of conflict, and both could bring more demands on countries like Canada—not for investment, but for costly international peace keeping and nation building.

But if you are among those tempted to laugh off Africa as an investment target, you may want to think again. Look at what the *Economist* said in its Oct. 2 edition: "Africa is now near the top of the agenda for the world's leading businesses. The continent still has its problems, but it is no longer 'hopeless' as this newspaper once described it—especially for anyone wanting to be part of a fast-growing consumer market. Last year, while the global economy struggled with the aftermath of the financial crisis, Africa as a whole continued to advance and is expected to grow by 4.3 per cent this year."

The *Economist* followed up in its new annual publication "The World in 2011" with a whole page telling us about what it calls the "boom times" south of the Sahara.

For Canadian companies, this is a future worth investing in.

Look first at South Africa. Here is the engine of the continent, the place where Wal-Mart sees

its future. Here is a powerful democracy and a liberal, free and growing economy and society.

But South Africa is not Africa. Nor is it the continent's only serious business possibility. Ghana, though much smaller, is, if anything growing faster. It too has an attractive governance and business climate.

Tanzania is also a good bet for Canadians. It's just returned their elected president to office in a free and fair election, and its growth rates are impressive. Botswana is a winner on all fronts: good government, good economic policies, top growth.

Canadians should also be looking seriously at opportunities in Angola, a country that has all the attributes of a major economic power, as well as Mozambique, and Namibia, a quiet, sound, well-governed country blessed with diamonds and uranium.

Other potential growth economies? Mali, Cape Verde, Ethiopia, Rwanda, Uganda and Zambia. For the truly intrepid, aware and committed, real opportunities lie in Nigeria, amid the bombastic dynamism of Africa's second-largest economy and biggest population.

But let's not get too rosy. Business people need to be realistic, to face the African continent as it is. While risk management is important in all projects, it is especially so in Africa, where the range of potential issues is wide and often unpredictable.

To an outsider, the pitfalls can be subtle but devastating. What to a Canadian entrepreneur seems a recipe for economic success may be perceived by a Ghanaian or Nigerian or Ethiopian as little more than barely disguised exploitation—an outsider's theft of the national heritage.

A Canadian—or, as is now happening on a large scale, Saudi Arabian or Chinese—investor

may see African land as a future breadbasket for growing food exports. But to most people in African countries, land is almost as contentious as oil and minerals. Everyone now knows the potential for conflict over land from the Zimbabwe "land grab" of white-owned farms.

The environment is another potential trap. Where a Canadian sees a potentially lucrative mine or timber project, an African understandably will see possible ecological devastation. The environment is a cause that can be championed not only by justly aggrieved local communities, but also for wider purposes by local and global NGOs.

Happily, there are ways to ensure that Canadian investors and business ventures avoid these pitfalls.

First and foremost, investors should always work with and through strong local partners that have at least as much at stake—and as much to gain—as the foreign investors.

And investors should listen to these partners. It is essential to understand local perceptions, to appreciate the sense of local ownership, sensitivities and national pride, and to grasp how local business and government is done—by whom, with whom and with what motivation.

Open and transparent dealing is also essential for successful projects. In an age where everyone has a mobile phone, where FM radio stations air call-in talk shows throughout the day, where social networking is gaining remarkable traction, rumours of perceived double dealing get around quickly. They become political issues that governments must respond to.

Investment ventures that are socially responsible are more likely to be accepted, though even very good community develop-

ment projects are not enough in themselves to mollify communities that believe they are being left out of the larger benefits chain.

With these suggestions in mind, Canadian businesses should know that the world must turn to Africa. Africa's vast potential will only be realized through focusing on private sector wealth creation, and here, foreign investment and participation will be key.

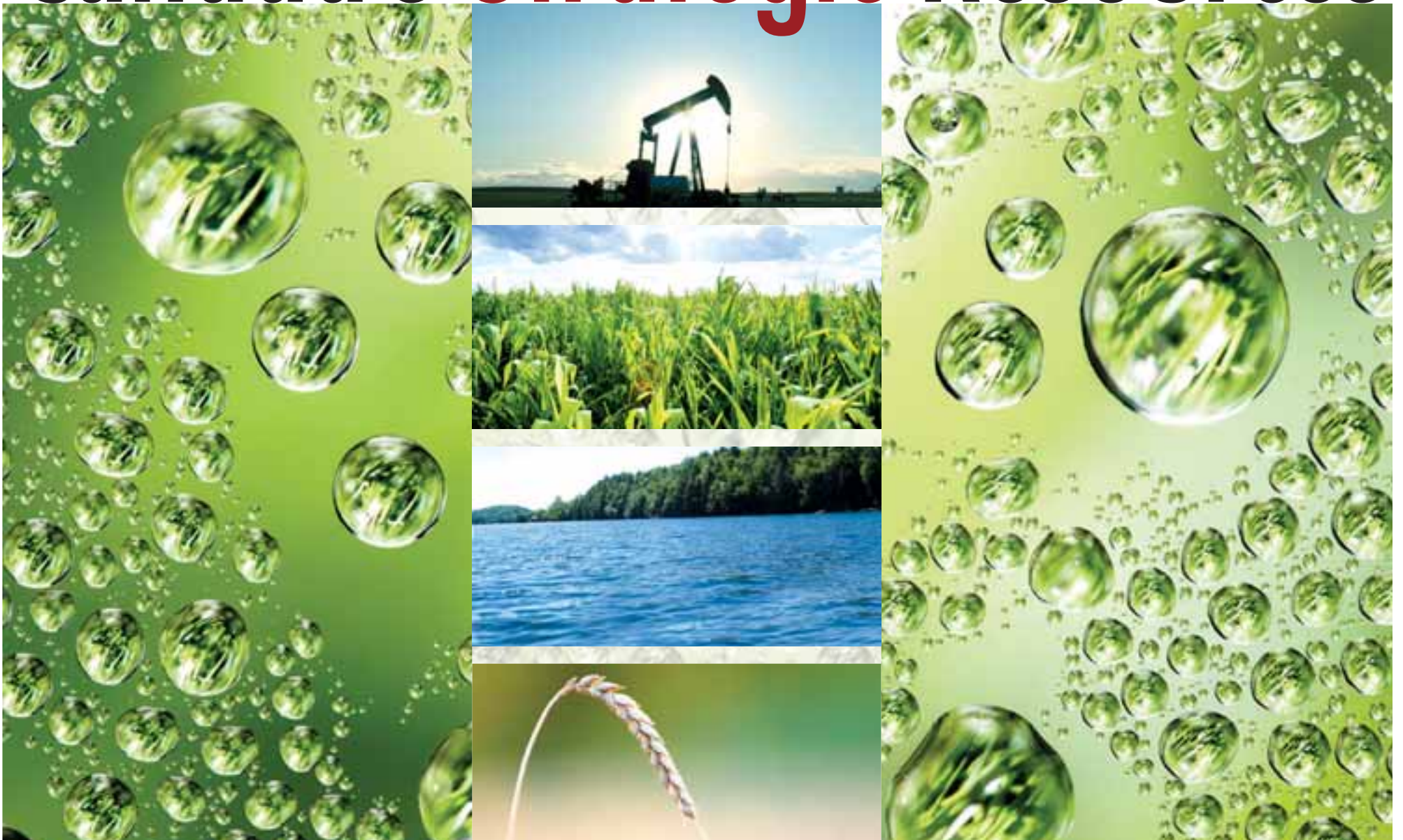
The new African leaders know this. So do their business communities, their banks, and their trade, mining and finance ministries. And so do the Chinese and Indians.

If investing in Africa is good for Chinese business—and it evidently is—how can it not be good for Canada? If it's possible for China, is it not possible for Canada? Can we really afford to cede our traditional lead in mining, telecommunications, information technology, engineering, forestry equipment, rail technology, electricity, to more competitive Chinese rivals?

Surely not. Canada still has an astonishing, unique, yet very real asset in most African countries: our remarkable credibility. We have invested heavily in people, aid and resources over the past 50 years. With a bit of care, thought, planning, good communications and sound local partners, we could be cashing in on this investment now. Many good African countries are open for business. Canadians should be there.

*John Schram has served as Canada's ambassador to Zimbabwe, Angola, Ethiopia, Eritrea and Sudan, and high commissioner to Ghana and Sierra Leone. He is now a distinguished senior fellow at Carleton University's Norman Paterson School of International Affairs and a senior fellow at Queen's University's Centre for International Relations.*  
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# Canada's **Strategic** Resources POLICY BRIEFING



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# Canada's Strategic Resources Policy Briefing

## When politics, natural resources collide

Carl Meyer

For months last year, Saskatchewan Premier Brad Wall was on the front of newspapers across the country, leading the effort to scuttle a deal that would have seen his province's giant potash company taken over by an Australian firm.

Eventually, the federal government came down against the deal, saying it did not meet the "net benefit" test laid out in the Investment Canada Act. It was only the second foreign takeover attempt rejected in the act's 25-year history.

In an end-of-the-year interview with the CBC on Dec. 22, the vindicated Mr. Wall was asked about the legacy the decision would leave behind.

"What is lasting is the issue itself," Mr. Wall said. "The personalities that were involved, myself included, that's more fleeting and more temporary."

"I think we're going to have a discussion in the country about what is a strategic resource."

It's not a new term. But during the potash debate, it took on a newfound importance. Mr. Wall and others opposed to the potash takeover felt fertilizer, which will take on growing importance as the world's population prompts the need for more food, is a strategic resource.

Immediately after the federal government rejected the potash takeover, Agriculture Minister Gerry Ritz said the Harper government was blocking the sale for "strategic" reasons.

But Industry Minister Tony Clement, perhaps sensing the backlash that would result from both foreign investors and Canadians who favour more protectionist practices, later downplayed that statement, saying there was nothing in the federal investment law that discussed strategy.

In the aftermath, the government said it would conduct a review of the law to bring clarity to the issue of strategic resources—clarity that many foreign and domestic investors are waiting for.

But this has yet to happen, perhaps due to the monumental nature of the task: defining exactly what a "strategic resource" is in Canada is difficult.

Economists say there is no clear-cut, theoretical definition of what a strategic resource is. The element of strategy inherent in the term is dependent upon external phenomena like political or policy decisions, world markets, environmental circumstances and the like, and economists need to know these factors prior to their calculations.

This bears itself out in practice: A quick search across federal government websites reveals the term "strategic resource" to be applied to everything from oil to information, health, water, hydroelectricity and even certain government committees. In other words, anything can turn out to be strategic, so long as the right conditions abound.

"It depends very much on what the [foreign] bid concerns, who the parties are to the transaction," said Scotiabank commodities expert Patricia Mohr.

Her views were echoed by others, such as investment strategist John Budden, who said he considered resources to be strategic if they are required by Canadians. This would include fuel for heating and transportation, potash for the country's farms, water for irrigation, and other such items.

Another possible definition is a resource that can make a "major difference" to Canada. John Stewart, director of policy and research at the Canadian Nuclear Association, said if that was the definition, then he would consider uranium to be just such a resource.

But he cautioned that he "would be wary of calling it a strategic resource if a certain policy direction necessarily then comes with that."

"I think something can be a strategic resource in the sense I mentioned, which is making a difference to Canada—and that doesn't necessarily imply that you have to take a certain

approach toward foreign ownership, or you have to restrict foreign ownership," he said.

The gap between how the government has approached the issue of foreign ownership over the years, including in the Potash Corp. decision, and whether something has been considered strategic, is rather wide.

In terms of mining, Xstrata took over Falconbridge and Vale took over Inco in 2006, US Steel took over Stelco in 2007, and Rio Tinto took over Alcan that same year.

Technically, only Investment Canada knows if these foreign companies are fulfilling the obligations that they made when they launched the takeover bid. But media reports over the years have suggested less than ideal situations.

"They have not always turned out to be what I would call net benefits for Canadians, or for the local economies," said Ms. Mohr.

Many feel the federal government's decision on Potash Corp. was a one-off rejection taken as a result of its specific circumstances. Potash Corp. is unique in that it controls a large percent of global potash production, produces huge royalties for the provincial government, and is embedded in the Western transportation sector.

It was also unique because, once Mr. Wall made clear his opinion, the fate of several Conservative federal ridings in Saskatchewan became a matter of life or death. Indeed, in the wake of the decision, some commentators accused the government of using the "strategic" label to deliberately muddy the waters in order to obfuscate its real domestic political concerns.

"I think what happened was that the lobbyists and the influencers had Harper himself lined up to condone this deal, and then this back-swell outcry [occurred] and somebody started counting seats," said Mr. Budden.

### What could be strategic?

Even with all those stipulations and a wholly unclear definition, it is still possible to imagine what the government could consider more or less strategic if it was pressed to do so. At the top of many lists is **petroleum**.

Canada has the world's second-largest proven reserves of oil, is the sixth largest producer and the 14<sup>th</sup> largest net exporter in the world, according to the US Energy Information Administration.

Every province and territory except Nunavut is an oil producer, but none more so than Alberta, which is home to the oil sands, something Natural Resources Canada calls "a strategic resource for Canada, North America and the world." In addition, equipment and personnel are drawn from across Canada, flowing oil money around the country.

The oil sands and the insatiable American appetite for petroleum has made oil Canada's number one export. The industry is also a magnet for investment: The Parliamentary Natural Resources committee says up to \$125 billion dollars is expected to be invested in the oil sands through 2015.

And it is a major cash cow for the country. The committee cited Canadian Energy Research Institute statistics showing how bitumen and synthetic crude oil produced through 2020, as well as spin-off benefits across the country, could contribute \$789 billion to Canada's GDP. About half of the world's crude oil reserves is available for private sector investment in Canada, as compared to many other jurisdictions which are more state-owned or state-controlled.

"Absolutely, oil and gas is a strategic resource for Canada, in part simply because of the magnitude of the resource," said Dave Collyer, president of the Canadian Association of Petroleum Producers. He said it was important for the country to remain competitive and attract investment.

But how would the government protect the oil industry if it considered it strategic?

There have been many significant foreign takeovers and investments in the oil sands, but that might be the problem: They are diversified and plentiful; with no one single company con-



Agriculture Minister Gerry Ritz said potash was strategic, but Industry Minister Tony Clement downplayed his statement, pointing out that the term did not appear in the Investment Canada Act.

trolling a vast majority of the oil sands. There is no oil sands version of Potash Corp.

One of the largest single oil sands entities, Suncor, with its partnership with France's Total and its recent merger with Petro Canada, could be considered a target that might be protected by a federal government, said Ms. Mohr, but it remains to be seen what the outcome of that would be.

Another item at the top of people's lists is **uranium**. Canada was the world's largest producer of uranium until a push in early 2008 by Kazakhstan to increase its output knocked Canada to second place. Canada still has the world's largest uranium mine, owned by Cameco, in Saskatchewan.

Uranium can easily be construed to have highly strategic value both for civilian and military purposes. Enriching it can produce fuel for nuclear reactors, while enriching it further creates weapons-grade material for use in nuclear bombs. As well, the Council on Foreign Relations estimates that there is only about 5 million recoverable tons of uranium, and about 10 per cent of that is buried within Canadian soil.

Even further, the CFR pointed to a German study that showed that only Canada's reserves have significant amounts of usable, high-grade uranium, compared with Kazakhstan's, which is on average far less potent.

Currently, federal law prohibits foreign control of uranium mines, and there are strict export control limits to countries that are not part of nuclear treaties, so protecting the industry from a foreign takeover is already happening to a certain extent.

After the Potash Corp. decision, many in Saskatchewan turned to uranium as the province's next industry slated for protection. But Mr. Stewart said foreign investment was not a concern to his members.

Some of them, however, are calling on the government to establish a regulatory regime that secures reciprocal investment rights in the case of foreign investment in uranium mines.

In other words, foreign investors would be permitted to buy Canadian uranium assets only if Canadian companies could buy assets in the country where that investment originates.

A third resource on analysts' lists is **water**. Water is needed to sustain life, power industry—including the oil sands, in huge quantities, as well as hydroelectricity—and provide irrigation in agriculture.

The Nature Conservancy of Canada says the country has the third largest renewable freshwater supplies after Brazil and Russia, and roughly nine per cent of the country is covered by freshwater. The Great Lakes, shared with the United States, is the world's largest lake system of freshwater.

The scarcity of water is often talked about. Right now, a gallon of water costs next to nothing, but that could change if freshwater becomes scarce or expensive to obtain in Canada, as it currently is in other countries such as Sudan.

And the direct strategic nature is undeniable: Environment Canada says roughly 30 per cent of the world's population lack access to adequate sanitation, largely because of unsafe water. One billion people cannot access drinking water that is safe. Less than half of the entire population of Africa has piped freshwater leading to their homes and only a fifth have sewers.

But it is difficult to gauge how the Canadian water industry would be protected from a foreign takeover, largely because there is no real single water industry, as it is split up between wastewater, water purification, water transportation and other businesses.

There are other resources that could be considered strategic. Much of the world is moving towards natural gas as a cleaner fossil fuel providing a bridge toward more alternative energies. Canada has an emerging unconventional gas industry in the form of shale gas, but that is mostly undeveloped at this point. It could explode if the price of natural gas rises considerably and the industry sinks more money into development. There are also roadblocks over developing regulations throughout the provinces.

There are other metals worth considering: copper, although it is produced in roughly 50 countries, is widespread in Canada; gold, although Canada is losing ground to newer producers, is still prevalent, and others.

But keep in mind the imprecise definition. As this story went to print, Luxembourg company ArcelorMittal was competing fiercely with Nunavut Iron Ore for Baffinland Iron Mines, an open pit iron supply. Many are already trotting out the term "strategic resource" to refer to the mine's location and its importance to the local economy.

So, perhaps add iron to the list. Suffice it to say that there is still a long way to go before Canadians truly understand what it is in their country that is strategic.

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# Canada's Strategic Resources Policy Briefing

## Championing a national resource strategy

DENIS CODERRE

**T**he burdens of the country will be great, but compared with our resources, if properly developed, they will not eventually be serious. The country's resources are enormous and they must be conserved as far as possible for the benefit of the whole people.

In order to conserve it is not necessary or desirable that resources should lie idle; but they must be developed in the interest of the people and not exploited for individual profit, for it must always be borne in mind that adherence to such a policy will increase that equality of opportunity which should be the sure purpose of every true democracy.

—Prime minister Robert Borden, Sept. 9, 1918

When the world looks at Canada, it sees a superstore of natural riches, its shelves stocked with minerals, water, energy, wood, food and a shopping cart of other treasures.

If you ask someone outside our borders to name the first thing that comes to mind when they think of Canada, some would point to majestic, snow-topped mountains or vast prairies. Others would mention pristine waterways or forests as far as the eye can see.

As the Liberal natural resources critic, I see the same things. But when I look beyond the postcard beauty of this great and diverse country, I also see a country blessed with an abundance of natural wealth.

What I don't see is a national strategy to protect those resources from outright foreign control. Nor do I see a plan to develop our strategic resources to create jobs at home as part of a long-term economic plan for generations to come.

The Conservatives under Stephen Harper brought the issue to the fore last year when the government finally caved to public and political pressure and stopped the hostile takeover of Potash Corp. of Saskatchewan by

Australia's BHP Billiton, the world's largest mining company.

The Liberals under Leader Michael Ignatieff opposed the takeover because it would have put virtually the entire potash industry in the hands of a single foreign interest, which was troublesome because Canada accounts for a major proportion of the world market and an even larger share of the world's reserves. (Canada and Saskatchewan control 53 per cent of the world's known supply.)

Rising global demand for food and the fertilizer needed to boost production has made Potash Corp. a hot commodity for international suitors.

As Liberals, we welcome and encourage foreign investment, but we oppose the fire sale of key national assets under the cloak of secrecy. That's why we will continue to call for improvements to the Investment Canada Act to ensure there is a net benefit achieved by the sale of strategic assets.

The Liberal Party did not see a net benefit to the Potash Corp. bid when factoring in jobs, investment, provincial revenues and Canadian global leadership.

The numbers speak for themselves months after the takeover bid was rejected. Potash Corp's stock recently hovered around \$170 a share—almost \$40 more a share than what BHP Billiton was offering in its \$39-billion takeover attempt.

We need to be prudent when assessing potential foreign takeovers of our institutions and industries. A Liberal government would strengthen the Investment Canada Act in three key areas to protect our interests:

■ **Transparency**, including a stronger definition of how net benefit will be assessed, public disclosure of the rationale for each approval, and rejection of takeovers reviewed under the Act, including any conditions imposed on foreign investors.

■ **Enforceability**—Options must be identified for ensuring the enforceability of conditions attached to investment approvals.



Saskatchewan Premier Brad Wall captured headlines across the country when he declared potash a "strategic resource." Liberal Natural Resources critic Denis Coderre says a national strategy to protect those resources from outright foreign control is needed.

■ **Consultation**—Formalizing a requirement to consult provincial or territorial governments where the head office of the Canadian company is located.

Much of Canada's economic success today can be attributed to sound Liberal economic policies put in place under Jean Chrétien and Paul Martin.

Balanced budgets, tax cuts, investments in natural resources and research and development are directly responsible for helping Canada weather the economic storm that tore through many world economies.

A full recovery is on the horizon, but more needs to be done to get the Canadian economic engine running at full speed.

Canada is home to 75 per cent of the world's exploration and mining companies largely because previous Liberal governments introduced and extended flow-through shares tax credits and mining exploration tax benefits.

For Liberals, clean energy, mining, forestry and agriculture must be the cornerstones

of Canada's economic strategy in the global economy.

We would ensure research and development is focused on innovation and new technologies such as biomass energy from forest waste or state-of-the-art extraction techniques that are environmentally sound.

We can't sit idle, in the way that the Conservatives seem content to do, on our economic future. We need to move forward on developing trade opportunities with the emerging economies of China and India and other nations.

More needs to be done to woo foreign investment, increase our exports and develop partnerships to create Canadian champions on the international stage.

Leadership is required to guide Canada into the future. I believe the Liberals have the vision, the policies and the ideas to do just that.

Denis Coderre is the Liberal Party critic for natural resources.

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## Weighing 'net benefit' in a globalized world

PETER W.B. PHILLIPS

**C**anada's foreign investment rules have come under renewed scrutiny following Canada's decision to reject BHP Billiton's \$39-billion takeover bid for Potash Corp.

The problem is that we may never know why the federal government rejected the bid—some say it did not offer a net benefit to Canada while others assert it was a last-minute, calculated political decision to shore up marginal Conservative seats in Saskatchewan.

It is vital for both our industry and our relationships with other countries to be transparent about how we make such decisions.

While it is easy to say we need clear rules, there are no simple answers. The Investment Canada Act mandates that foreign takeovers in excess of \$295 million by a company from a WTO member state (and almost all takeovers from non-WTO states) will be judged based on net benefit to Canada.

Considerations include the effect on: employment, resource processing and utilization of parts and services produced in Canada; participation by Canadians in the resulting entity; productivity, industrial efficiency, technological development and product innovation; competition; national industrial, economic and cultural policies;

and exports. The exact thresholds and methods for assessing these are not disclosed.

Since the ICA was passed in 1985, more than 17,900 takeovers have been assessed. Before the BHP Billiton decision, only one other takeover was rejected. In 2008, the government blocked US Alliant Techsystems from acquiring MacDonald Dettwiler, arguing the deal affected national security. Neither decision offers much light on how to judge net benefit.

In December, Gandalf Group's 21st quarterly C-Survey revealed that 60 per cent of senior executives in Canada supported the BHP Billiton decision and 80 per cent agreed with the net-benefits test.

What they mean by that is less clear. Presented with 11 iconic Canadian companies as takeover targets, they offered interesting views. More than half believed Atomic Energy of Canada Ltd., Potash Corp. and CN Rail (all with a history of Crown ownership) had a high strategic value while a strong minority of respondents (from 25 per cent to 42 per cent) thought the other companies strategic.

The market cap of these iconic companies ranged from effectively zero for AECL to more than \$54 billion for EnCana, four were Crown corporations, six were heavily regulated resource or service firms and three were manufacturers.

Interestingly, the lowest support was for Bell, which is the only company in the list primarily serving the Canadian market.

The rest were major investors and traders abroad, earning in most cases a majority of their income in foreign markets.

### What is Canadian?

In a globalized world, it is difficult to define a Canadian company. Potash Corp. illustrates this well. While the company started as a Saskatchewan Crown corporation in the 1970s and was privatized in the 1980s, it has since globalized.

In 2010, more than half its publicly-traded shares were owned by non-residents (some assert the share price is set on the NYSE), the majority of its executive officers (most not Canadian) live and work abroad, most recent investments were outside Canada and virtually all of its revenue came from foreign markets. In short, it is hard to distinguish it from BHP Billiton, the suitor company.

Canadian firms and industry are both major sources of, and a destination for, foreign investment. We tend to bemoan the so-called "hollowing out" of Canadian ownership, but in fact foreign ownership of industrial capacity has lessened since 1971, when 35 per cent of firms were foreign-owned; since the mid-1980s, foreign ownership has ranged between 21 per cent and 25 per cent.

Indeed, Canada currently is a net owner, not seller, of assets. Foreigners have invested \$549 billion in Canada, while Canada's investments abroad total \$593 billion.

On the list of iconic Canadian companies presented by Gandalf Group, most have

made major capital and operating investments abroad. AECL has 12 of its 34 reactors abroad, Potash Corp. has major investments in phosphate and nitrogen production globally, CN Rail generated only 24 per cent of its revenues from in-Canada shipping (19 per cent is generated solely within the US and the rest involves transboundary trade) and most of the resource and manufacturing firms have key plants and markets abroad.

There are significant benefits from this interconnectedness. Canada has historically used foreign capital to exploit resources and to gain access to global markets, to highly skilled management and to technology.

A recent study also showed that foreign-controlled plants accounted for most of the labour growth and productivity gains in Canadian manufacturing during the 1980s and 1990s and, perhaps surprisingly, foreign firms were three times more likely to operate a head office in Canada and had approximately 25 per cent more head office workers than comparable domestic firms.

The Canadian economy is inextricably interconnected with the global marketplace. Any net benefits test must be placed in the broader international context, if for no other reason than our economy needs two way flows of money, people and ideas to compete in the 21st century.

Peter W.B. Phillips is a professor at the Johnson Shoyama Graduate School of Public Policy, University of Saskatchewan.

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# Canada's Strategic Resources Policy Briefing

## Fair, accountable foreign investment

CLAUDE GRAVELLE  
AND NATHAN CULLEN

The New Democratic Party strongly believes in legislation that would encourage foreign investment that brings a true “net benefit” to Canadian workers, their communities and to Canada as a whole. But the process of assessing foreign investment in Canada must be more public, transparent and accountable to Canadians.

The industry minister has himself acknowledged that changes are needed to the 1985 Investment Canada Act which governs foreign investment in Canada, and his department's own website notes that “there has not been a policy review of the ICA [Investment Canada Act] since it was enacted more than 20 years ago. During that time, the competitive landscape has evolved dramatically...”

To understand the need for real reform, we must set the context. In the 25 years since its enactment, and with 14,000 foreign takeovers of Canadian firms having taken place, the ICA was invoked for the first time in 2008.

National security, intellectual property concerns and pushback from the public and opposition parties forced Stephen Harper's Conservative government to block the sale of the space division of MacDonald, Dettwiler & Associates, a technology company which owned Radarsat I and Radarsat II satellites built with hundreds of millions of Canadian tax dollars, to US-based weapons manufacturer Alliant Techsystems.

In 2010, under more public and political pressure, the Harper government rejected the proposed takeover of Potash Corp. by Australia-based mining conglomerate BHP Billiton for over \$38 billion. On Nov. 15, BHP Billiton formally withdrew its bid.

In the MDA and Potash cases, public reaction to the takeover bids from across the political spectrum was swift and deeply critical because Canadians appreciated the significance of these two companies to the Canadian economy. In the case of MDA, Canadians had

also invested \$500 million into Radarsat I.

These two examples highlight a major shortcoming with the current legislation: a total lack of transparency and accountability.

Under the ICA, the government applies a crude standard to foreign investment and claims to approve takeovers involving assets of over \$300 million (this will increase to \$600 million, and eventually \$1 billion) only if they result in a “net benefit” for Canadians.

However, since the process of review lacks clarity or even a definition of benefit, and provides no opportunity for public input, the government's rationale for approving acquisitions of Canadian companies by foreign concerns is unavailable. Without knowing the conditions it applies to takeovers, there is no way to hold either the government or the foreign businesses responsible for failure to keep their promises.

But there is no shortage of evidence when a disastrous sell-off has been allowed. Communities across Canada have seen job layoffs, closures and devastating strikes as a result of foreign takeovers. While foreign investment is essential, there is an obvious need to strengthen the ICA to protect Canada's interest.

Over the past two years, NDP Mining critic Claude Gravelle has tabled several pieces of legislation seeking to amend various elements of the ICA to ensure foreign takeovers are reviewed in a more transparent and accountable way. There have also been two NDP Opposition Day motions debated and passed in Parliament.

For a country like Canada, whose history documents an effort to create a national economy through strategic public intervention in the face of unhelpful market pressures, control of the economy's crucial resources and industries is critically important.

As Kari Levitt, emerita professor of economics at McGill University, pointed out in a recent lecture, the difference between incoming foreign portfolio capital and foreign direct investment is one of control. She notes that “a subsidiary or affiliate of a multinational corporation located in Canada is not simply a firm whose owners are non-resident. It is an integral part of a larger enterprise and subject to its strategic considerations.”

This, of course, was exactly what was at stake in the case of BHP's attempted takeover of Potash Corp. BHP, a company with assets exceeding those of many countries, would in the future subject the interests of the people of Saskatchewan to the strategic interests of its global empire. The two are clearly not synonymous, and to that extent, the ability of the people of Saskatchewan to chart their economic future, as workers and as citizens, would be undermined were the deal to have gone through.

It is important to acknowledge the critical importance of attracting foreign capital to help grow the Canadian economy. We welcome foreign investment that introduces new technology, raises productivity and living standards, creates new jobs or enables significant growth of Canadian controlled firms.

On the other hand, takeovers motivated by no goal other than consolidation in a global market are likely to carry few if any net benefits for workers or their communities. Such takeovers should be subject to stringent and public analysis, and be bound by transparent conditions regarding performance. Those conditions must ensure that the interests of their workforce, the communities in which they are located, and the Canadian economy, are protected.

Controlling the level and structure of foreign investment in Canada is a delicate balancing act and it cannot be accomplished in the absence of a pan-Canadian vision of what our economy should and can be. But we cannot count on the Harper government to lead the national discourse that defines this vision.

The fire sale in Canadian resources, from oil and gas to nickel and potash, is reflected in the decline of Canada's manufacturing sector. Manufacturing's share of total employment fell to 10 per cent in November 2010, the lowest since before 1976, when Statistics Canada began comparable records. Today's number is down from 15 per cent in the early 2000s and 19 per cent in 1976. Hundreds of thousands of well-paid, family-supporting jobs have disappeared.

While other factors are also at play, foreign investment drawn to Canada's resource sector by permissive government policies—including those of previous Liberal governments—and lax royalty regimes is a major influence.

There has been much talk about the need to define what are “strategic” industries that need special consideration in foreign investment review. But the notion that you can define something as “strategic” in the absence of a vision for Canada's economic future is clearly absurd.

The vision, backed by a thorough and transparent review process, will dictate those sectors of the economy that are clearly too important to Canadians to allow non-nationals to take control. The absence of such a vision leaves this country vulnerable to the buffeting of market forces and the loss of Canadian economic independence.

New Democrats have identified several key flaws in the Investment Canada Act that warrant immediate fixing. Following on the successful Roundtable on Foreign Investment held in Ottawa last December that brought together New Democrats, stakeholders and labour leaders representing more than a million Canadian workers, the NDP is preparing a comprehensive piece of legislation that seeks to strengthen the Investment Canada Act by, among other things:

- reducing, not raising, the asset threshold that determines whether an investment is subject to review;

- providing explicit, transparent criteria for the “net benefit to Canada” test, with an emphasis on the impact of foreign investment on communities, jobs, pensions and new capital investments;

- requiring public hearings that allow for community input into decisions on both the assessment of “net benefit” and conditions to apply to the investment;

- public disclosure of all commitments undertaken by potential investors;

- transparent decisions with reasons and clear conditions that must be met by the investor;

- ongoing monitoring of performance to ensure conditions are met and investor commitments are implemented and,

- imposition of effective penalties, where appropriate.

Claude Gravelle is the NDP critic for mining. Nathan Cullen is the NDP critic for natural resources.

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### Proved natural gas reserves (Trillion cubic metres)

	At end 1989	At end 1999	At end 2008	At end 2009	Share of total (%)	Reserves	Production ratio
US	4.73	4.74	6.93	244.7	6.93	3.7	11.7
<b>Canada</b>	<b>2.73</b>	<b>1.72</b>	<b>1.75</b>	<b>62.0</b>	<b>1.75</b>	<b>0.9</b>	<b>10.9</b>
Mexico	2.06	0.86	0.50	16.8	0.48	0.3	8.2
<b>Total North America</b>	<b>9.52</b>	<b>7.32</b>	<b>9.18</b>	<b>323.4</b>	<b>9.16</b>	<b>4.9</b>	<b>11.3</b>
Argentina	0.67	0.73	0.40	13.2	0.37	0.2	9.1
Bolivia	0.12	0.52	0.71	25.1	0.71	0.4	57.9
Brazil	0.11	0.23	0.36	12.7	0.36	0.2	30.4
Colombia	0.11	0.19	0.11	4.4	0.12	0.1	11.8
Peru	0.34	0.25	0.25	11.2	0.32	0.2	91.3
Trinidad & Tobago	0.29	0.61	0.44	15.4	0.44	0.2	10.7
Venezuela	2.99	4.15	4.98	200.1	5.67	3.0	*
Other South & Central America	0.17	0.14	0.07	2.5	0.07		19.7
<b>Total South &amp; Central America</b>	<b>4.80</b>	<b>6.81</b>	<b>7.32</b>	<b>284.6</b>	<b>8.06</b>	<b>4.3</b>	<b>53.2</b>
Azerbaijan	n/a	1.23	1.31	46.3	1.31	0.7	88.8
Denmark	0.11	0.14	0.06	2.3	0.06		7.6
Germany	0.29	0.23	0.10	2.7	0.08		6.4
Italy	0.30	0.19	0.06	2.3	0.06		8.6
Kazakhstan	n/a	1.78	1.82	64.4	1.82	1.0	56.6
Netherlands	1.57	1.55	1.14	38.3	1.09	0.6	17.3
Norway	1.73	1.25	2.22	72.3	2.05	1.1	19.8
Poland	0.16	0.15	0.11	3.8	0.11	0.1	26.6
Romania	0.13	0.35	0.63	22.2	0.63	0.3	57.9
Russian Federation	n/a	42.44	43.30	1567.1	44.38	23.7	84.1
Turkmenistan	n/a	2.59	8.10	286.2	8.10	4.3	*
Ukraine	n/a	1.01	0.98	34.7	0.98	0.5	51.0
United Kingdom	0.56	1.27	0.29	10.3	0.29	0.2	4.9
Uzbekistan	n/a	1.58	1.68	59.4	1.68	0.9	26.1
Other Europe & Eurasia	47.41	0.43	0.45	15.7	0.44	0.2	46.6
<b>Total Europe &amp; Eurasia</b>	<b>52.28</b>	<b>56.17</b>	<b>62.26</b>	<b>2228.1</b>	<b>63.09</b>	<b>33.7</b>	<b>64.8</b>
Bahrain	0.18	0.12	0.09	3.0	0.09		6.7
Iran	17.00	25.00	29.61	1045.7	29.61	15.8	*
Iraq	3.12	3.29	3.17	111.9	3.17	1.7	*
Kuwait	1.40	1.48	1.78	63.0	1.78	1.0	*

	At end 1989	At end 1999	At end 2008	At end 2009	Share of total (%)	Reserves	Production ratio
Oman	0.28	0.83	0.98	34.6	0.98	0.5	39.6
Qatar	4.62	11.16	25.37	895.8	25.37	13.5	*
Saudi Arabia	5.22	6.15	7.57	279.7	7.92	4.2	*
Syria	0.16	0.24	0.28	10.0	0.28	0.2	48.9
United Arab Emirates	5.65	6.00	6.43	227.1	6.43	3.4	*
Yemen	0.20	0.48	0.49	17.3	0.49	0.3	*
Other Middle East	0.01	0.01	0.05	2.2	0.06		24.2
<b>Total Middle East</b>	<b>37.83</b>	<b>54.74</b>	<b>75.82</b>	<b>2690.4</b>	<b>76.18</b>	<b>40.6</b>	<b>*</b>
Algeria	3.25	4.52	4.50	159.1	4.50	2.4	55.3
Egypt	0.35	1.22	2.15	77.3	2.19	1.2	34.9
Libya	1.22	1.32	1.54	54.4	1.54	0.8	*
Nigeria	2.83	3.51	5.25	185.4	5.25	2.8	*
Other Africa	0.82	0.87	1.27	45.0	1.27	0.7	65.3
<b>Total Africa</b>	<b>8.48</b>	<b>11.44</b>	<b>14.71</b>	<b>521.2</b>	<b>14.76</b>	<b>7.9</b>	<b>72.4</b>
Australia	0.96	1.99	3.08	108.7	3.08	1.6	72.7
Bangladesh	0.73	0.32	0.34	12.5	0.36	0.2	18.0
Brunei	0.32	0.37	0.35	12.4	0.35	0.2	30.7
China	1.02	1.37	2.46	86.7	2.46	1.3	28.8
India	0.69	0.65	1.09	39.4	1.12	0.6	28.4
Indonesia	2.55	2.62	3.18	112.5	3.18	1.7	44.3
Malaysia	1.61	2.48	2.38	84.1	2.38	1.3	38.0
Myanmar	0.27	0.29	0.57	20.1	0.57	0.3	49.4
Pakistan	0.65	0.70	0.84	32.0	0.91	0.5	23.9
Papua New Guinea	0.23	0.43	0.44	15.6	0.44	0.2	*
Thailand	0.23	0.35	0.34	12.7	0.36	0.2	11.6
Vietnam	—	0.17	0.56	24.1	0.68	0.4	85.2
Other Asia Pacific	0.26	0.34	0.36	12.9	0.36	0.2	20.9
<b>Total Asia Pacific</b>	<b>9.50</b>	<b>12.07</b>	<b>16.00</b>	<b>573.6</b>	<b>16.24</b>	<b>8.7</b>	<b>37.0</b>
<b>Total World</b>	<b>122.40</b>	<b>148.55</b>	<b>185.28</b>	<b>6621.2</b>	<b>187.49</b>	<b>100.0</b>	<b>62.8</b>
Of which:							
European Union	3.36	3.98	2.49	85.5	2.42	1.3	14.1
OECD	15.60	14.26	16.44	571.2	16.18	8.6	14.4
Former Soviet Union	47.06	50.85	57.46	2067.1	58.53	31.2	8

Source: British Petroleum Statistical Review of World Energy 2010

# Canada's Strategic Resources Policy Briefing

## Water: 'The' key strategic resource

DAVID McLAUGHLIN

Saskatchewan Premier Brad Wall recently used the term "strategic resource" to describe the importance of his province's potash deposits. Other politicians in this country have also used the phrase to describe many of this nation's natural resources, including: oil sands; natural gas, including shale gas; uranium; and hydro electricity.

The phrase "strategic resource" elicits an image of a unique and important commodity, with the need to manage it carefully to provide ongoing prosperity for a country or region, both now and into the future.

Underpinning the sustainable development of each of these other resources is one common resource: water. With a perceived abundance of water, many Canadians often take it for granted. This is a misperception.

While Canada has one-half of one per cent of the world's population and retains 20 per cent of the world's freshwater, our nation contains only seven per cent of the world's renewable supply. Moreover, approximately 60 per cent of our fresh surface water flows north, while 85 per cent of Canada's population and many of our economic activities are present in the south.

Population increases and economic growth will increase demand on, and for, our

natural resources. In turn, water is a critical component in the development of the energy, forest, mining and agricultural products that contribute so much to Canada's economic wealth and social well-being.

The natural resource sectors use and consume more water than any other sector in the nation, accounting, in 2005, for approximately 84 per cent of Canada's water use. This varies by sector and activity. For example:

■ The thermal electrical power generation sector withdrew 64 per cent of water across Canada in 2005, making it the greatest water user in the country and the second-largest consumer of water in the country, after agriculture, where water is not returned to the natural environment. This sector's activities can also affect water quality, with concerns over chemical and thermal contamination of water bodies.

■ The hydroelectric power generation sector is completely reliant on the availability of water. It can have important impacts on ecosystems and downstream users. Future expansions will need to consider this factor, especially in areas where competing uses for water are anticipated.

■ The oil and gas sector, while a small overall user in comparison to other sectors, can still lead to quantity concerns at a localized level, creating potential impacts on water quality and ecosystem integrity, particularly on a regional and watershed basis. With significant growth anticipated for the sector, particularly in oil sands and

shale gas, issues of both water quantity and quality will continue.

■ The mining and forest sectors, also relatively small users of water, have the potential to significantly impact water quality in the regions and watersheds where they are located. The potential for long-term effects of operations on the health of the surrounding ecosystems is of particular concern.

According to forecasts, the natural resources sector is expected to experience growth of 50 to 65 per cent by 2030. Added to other stresses, like climate change and a resultant increase in the frequency of extreme weather events, the National Round Table on the Environment and the Economy concluded in our *Changing Currents* report last year that the long-term sustainability of our water resources is coming into question. A potential for future conflicts over water availability for all the users who want it could well exist.

The NRTEE is examining industrial water use by the natural resource sectors to ensure quantities are sufficient, watersheds and ecosystems are protected, and the sector continues to grow. Sustainable development of our natural resources requires sustainable water use alongside.

*Changing Currents* highlighted the central importance of good governance and efficient water management for industrial use. Looking ahead, Canada has real challenges on its hands. They include dealing with: multiple jurisdictions, all with different roles in water management; water

allocation approaches not necessarily well-positioned for potential future water shortages; a limited number of policy instruments to allow for allocation during times of scarcity; and incomplete data on actual water use by the sectors.

Later this year, the NRTEE will issue a second report that will provide answers to some of these key challenges surrounding good governance and management of water for the natural resource sectors. From water pricing to shared watershed governance, we are studying how best Canada can come to grips with a looming problem ahead.

Good governance and effective, efficient management of our water resources is essential for Canada's other "strategic resources." A strong economy needs a resilient environment. It is essential that, as we foster economic growth and development, we do so while protecting the very watersheds whose flows sustain this industrial use.

Governments and industry still have many options available to them to resolve these challenges, before water availability and ecosystem degradation evolve from localized issues to more significant national problems. If we want to sustainably develop our "strategic resources" then we need to be just as *strategic* about the way we govern and manage our water.

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## Canada and the future of critical minerals

LEE A. GROAT

Recent reports in the media suggest increasing concern over access to some minerals and their constituent elements.

New and more complex technologies have led to a dramatic demand in some elements formerly used in only relatively small quantities.

On the supply side, availability is affected by complex supply chains, dependence on the part of many developed nations on imports, export restrictions, resource nationalism, and increased industry concentration due to mergers and acquisitions.

As a traditional exporter of raw materials, reduced availability would have little direct effect on Canada, but it would impact our trade partners and our access to products that use these elements.

The US National Research Council defines critical minerals (actually elements) as those that are important in use and subject to supply restriction.

Their "Criticality Matrix" illustrates both the impact and risk of a supply restriction. In 2008 they used this concept to evaluate the criticality of 11 elements from the perspective of the United States. Those exhibiting the highest degree of criticality were the platinum group minerals (PGMs), the rare earth elements (REEs), manganese, indium and niobium. This list will undoubtedly be different for other nations.

The platinum group minerals are rhodium (most critical), platinum, and palladium (least critical). Their primary use is in catalytic converters in automobiles, for which there are no commercially viable substitutes.

Total mine production in 2008 was 59 per cent from South Africa, 26 per cent from Russia and six per cent from Canada.

The outlook is for historically high prices because of increased demand (for manufacturing and investment) and constrained supply. Shortages of water, electricity and skilled labour are expected to negatively impact supply from South Africa. In Russia and Canada, the PGMs are largely produced as by-products of nickel and copper mining and supply is largely influenced by production of these elements.

The rare earths are a group of 17 elements composed of the lanthanides, yttrium and scandium. Their unique properties are used in a wide variety of applications including automotive catalytic converters, permanent magnets and rechargeable batteries for electric and hybrid vehicles.

The rare earths are relatively abundant in the Earth's crust but discovered minable concentrations are less common than for most other elements. China accounts for 97 per cent of the global production of REEs and her recent actions in the market have led to considerable media attention. Export quotas have been reduced over the past few years in order to cope with increasing domestic demand and because of environmental concerns.

In December, China's Commerce Ministry announced that it would be reducing the amounts of REEs it will export in 2011 by 11 per cent. In addition, there was

considerable alarm when Beijing blocked shipments of REEs to Japan in mid-2010 amid a debate over disputed islands.

Concerns about supply restrictions have led to increased demand for alternative sources. Molycorp Minerals LLC is planning to reopen the Mountain Pass mine in California, which from 1950 to 1988 was the world's leading producer of REEs. In Canada, advanced exploration

and development projects include Hoidas Lake, Saskatchewan (Great Western Minerals Group Ltd.), Strange Lake in Quebec (Quest Rare Minerals Ltd.), and Nechalacho (Thor Lake) in the Northwest Territories (Avalon Rare Metals Inc.).

Manganese is essential to iron and steel production and is a key component of certain aluminum alloys and batteries. South Africa accounts for about 80 per cent of the world's identified manganese resources, and Ukraine for 10 per cent. Manganese has no satisfactory substitute in its major applications.

Indium is used in liquid crystal displays (LCDs) and copper-indium-gallium-selenide (CIGS) thin-film solar cells. Most indium is produced as a byproduct of zinc refining.

China supplies approximately 50 per cent of the world's indium, followed by South Korea (14 per cent), Japan (10 per cent), and Canada (8 per cent), largely from Teck Metals Ltd.'s refinery in Trail, British Columbia. Adex Mining

Inc.'s Mount Pleasant Mine in New Brunswick holds approximately 15 to 20 per cent of the world's total known indium resources.

The main use of niobium is to strengthen steel. Niobium is also used in superalloys in jet and rocket engines and in the superconducting magnets of MRI scanners. Other elements can be substituted for niobium in these applications, but a performance or cost penalty may ensue.

Two Brazilian mines produce approximately 85 per cent of the world supply of niobium. The third largest producer is the Niobec mine near Chicoutimi in Quebec (Iamgold Corporation) which produces approximately eight per cent of the world supply.

Other elements not evaluated by the US National Research Council but discussed in a presentation by the Committee Chair RG Eggert in a recent presentation include cadmium (24 years remaining at 2008 production rates), copper (35), and molybdenum (41).

Canada has an important role to play in reducing element criticality. Our country has (largely undeveloped or partly developed) deposits of many of these elements, and with the world's second-largest land mass, low population and extensive vegetative cover, significant potential for discovery.

Canadian geoscientists (researchers, explorers, and miners) and companies are world leaders in the discovery and extraction of these elements, and there is ready access to capital via the national stock exchanges.

Despite the fact that it takes many years to develop a deposit, it is very likely that a considerable percentage of the world's supply of critical elements will be supplied by Canada in the future.

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# Canada's Strategic Resources Policy Briefing

## A new era for commodity markets

DAVID S. JACKS

As the long-running bull market in commodities continues to rage, perceptions of resource scarcity and concerns over the future control of these assets have emerged.

Of course, this story has played out before: the late-19<sup>th</sup> century spread of industrialization across the globe, but especially to North America, as well as the post-Second World War re-construction and re-industrialization of Europe and Japan, both gave rise to so-called commodity super-cycles. These are typified by rapid growth in commodity demand combining with tight supply conditions to produce decades-long increase in the real prices of commodities.

What sets present-day experience apart is not only the scale of the underlying demand for resources, which promises to extend the current cycle's timeframe, but also, and more importantly for present purposes, the evolving nature of ownership in the resource industry.

In the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, global commodity markets were primarily serviced on the supply side by privately-held firms.

Although oftentimes enjoying considerable support—including diplomatic, financial and military aid—from their respective governments, these firms operated in an environment closer to the classic economics textbook treat-

ment of perfect competition than not.

The example of the Anglo-Persian Oil Company (the predecessor of today's British Petroleum), which was privately founded in 1908 and publicly recapitalized in 1913 in exchange for a controlling interest on the part of the UK government, was very much the exception which proved the rule.

The pattern of private ownership of resources established in this earlier period survived for the most part the combined tumult of the First World War and the fractious inter-war period.

However, the twin shocks of Second World War and decolonization affected a dramatic reorganization in the ownership of resources around the globe.

Wartime mobilization in many Western nations and the reassertion of native political power in the colonies were more often than not followed by calls for the nationalization of domestic resources.

For example, the aforementioned Anglo-Persian Oil Company slipped from British control in 1951 on a rising tide of Persian nationalism and resentment over the repatriation of resource rents abroad.

The predominant form of ownership in key resources such as coal, copper and petroleum thus evolved from private to public, but attempts at cartelization (and in some cases embargo) aside, this did not represent a generalized retreat from global commodity markets: supply was open to all takers.

Enter developments of the past 20 years and prospects for the future become less clear. Rather than the private firms of the early 20<sup>th</sup> century or the public entities of the late 20<sup>th</sup> century, it seems that the supply of commodities in general, and strategic resources in particular, may be governed more and more by creatures resembling Anglo-Persian, namely companies which are domestically operated but controlled by foreign governments.

In particular, the establishment of sovereign wealth funds and, above all, the rise of China and its host of state-owned enterprises with foreign affiliates raise new challenges for the equitable and efficient governance of the resource industry.

In this new landscape, surmising the allegiances and intentions of the backing parties is paramount. On the one hand, the continued commitment to maintaining a level playing field in terms of market access and downplaying diplomatic and/or political goals demonstrated by Norway's Petroleum Fund and Singapore's GIC and Temasek Holdings is heartening.

On the other hand, very recent developments with respect to China raise some cause for concern. The decision to first block shipments and then slash annual export quotas of rare earth minerals reflect a potentially all-too-easy willingness on the part of Beijing to allow considerations of diplomacy and industrial policy to impinge upon the working of global commodity markets.

Also, in discussions related to BHP's attempt to buy out the Potash Company of Saskatchewan and Sinochem's also-ran status, Sinochem officials made it clear that their primary objective in any potential takeover would be to monopolize Potash Corp's output for itself and, thus, deal a decisive blow to the burgeoning global market for potash by limiting outside access.

At a minimum, this suggests a few standards to which the Canadian government should hold all potential foreign investors in its strategic resources.

First, beyond the typical disclosure of financials, the full scale of a suitor's operations, ownership, and intentions should be made explored.

Second, ensuring a commitment to open and non-discriminatory access to resources for all buyers in global markets is not only consistent with Canadian principles and institutions but also represents the provision of an important global public good.

Finally, as with any foreign venture on domestic soil, it is essential that such investments should produce demonstrable benefits for Canadian citizens on grounds of both enhancing native welfare and maintaining legitimacy in the eyes of the public.

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### Capital expenditures in energy industries (millions of dollars)

	2005	2006	2007	2008	2009
Conventional oil and gas extraction	32,190.5	36,054.6	29,949.1	29,532.3	19,803.9
Non-conventional oil extraction	9,857.4	12,228.0	16,815.8	20,663.1	13,538.7
Coal mining	605.9	407.7	405.3	809.5	444.3
Uranium ore mining	x	x	x	x	x
Support activities for mining and oil and gas extraction	2,681.8	4,172.2	5,167.5	5,713.3	2,566.9
Pipeline transportation	838.5	2,001.1	2,255.0	5,417.8	4,752.3
Petroleum and coal products manufacturing	2,759.3	2,688.3	2,478.7	3,009.2	1,837.5
Petroleum product wholesaler-distributors	241.7	299.7	327.0	282.3	384.4
Gasoline stations	770.8	790.8	741.8	892.5	756.4
Natural gas distribution	1,158.2	1,380.7	1,563.1	1,527.1	1,242.0
Electric power generation, transmission and distribution	9,814.1	11,774.9	14,179.8	15,570.8	18,843.5

Sources: Natural Resources Canada; Statistics Canada.

Notes: Mineral trade includes coal. Totals may not add due to rounding.

### Value of Canadian Mineral Trade by Country, 2009 (\$000s)

Country	Total Imports	Total Exports	Total Trade	Balance of Trade
United States	30,305,780	36,615,452	66,921,233	6,309,672
EU-27	4,662,912	12,862,149	17,525,061	8,199,237
China	5,025,196	3,913,254	8,938,450	-1,111,942
Japan	979,956	2,910,054	3,890,010	1,930,098
Mexico	2,059,995	599,335	2,659,329	-1,460,660
Peru	2,438,537	18,863	2,457,400	-2,419,674
South Korea	571,482	1,884,972	2,456,454	1,313,490
Norway	90,154	1,473,526	1,563,681	1,383,372
Brazil	1,024,027	500,051	1,524,078	-523,976
India	437,267	827,500	1,264,768	390,233
Chile	943,895	165,221	1,109,116	-778,674
Taiwan	669,441	423,280	1,092,721	-246,161
Australia	10,032,048	4,814,043	14,846,091	-5,218,005
<b>Total Canada</b>	<b>59,240,690</b>	<b>67,007,700</b>	<b>126,248,390</b>	<b>7,767,010</b>

### Value of Canadian Mineral Trade, 2009 (\$000s)

	Domestic Exports	Total Exports	Total Imports	Balance of Trade
Stage 1	19,714,503	19,890,588	6,959,352	12,931,236
Stage 2	21,873,693	22,049,792	7,740,236	14,309,556
Stage 3	12,389,174	13,155,479	15,272,430	-2,116,951
Stage 4	10,086,131	11,304,476	25,216,798	-13,912,322
<b>Total</b>	<b>64,063,501</b>	<b>66,400,335</b>	<b>55,188,816</b>	<b>11,211,519</b>

Sources: Natural Resources Canada; Statistics Canada.

Notes: Mineral trade includes coal. Totals may not add due to rounding.

### Foreign Direct Investment Stocks (in millions of dollars)

Industry	2005	2006	2007	2008	2009
Oil and gas extraction	49,548	50,129	64,754	69,718	71,634
Mining (except oil and gas)	10,352	22,518	24,805	25,268	25,432
Support activities for mining and oil and gas extraction	4,224	5,404	5,173	7,046	7,206
<b>Total</b>	<b>64,124</b>	<b>78,051</b>	<b>94,733</b>	<b>102,033</b>	<b>104,272</b>
<b>Wood and paper industry</b>		<b>2007</b>	<b>2008</b>	<b>2009</b>	
United States		11,233	7,371	6,603	
United Kingdom		x	x	x	
Other EU countries		1,318	1,380	1,371	
Japan		756	706	636	
Other OECD countries		x	x	x	
All other countries		652	678	692	
<b>World</b>		<b>15,577</b>	<b>12,436</b>	<b>11,628</b>	
<b>Energy and metallic minerals industry</b>		<b>2007</b>	<b>2008</b>	<b>2009</b>	
United States		78,422	76,858	80,415	
United Kingdom		25,148	34,597	30,176	
Other EU countries		28,054	37,996	39,865	
Japan		1,023	1,209	1,247	
Other OECD countries		2,755	5,525	7,248	
All other countries		32,649	36,278	40,060	
<b>World</b>		<b>168,052</b>	<b>192,463</b>	<b>199,011</b>	

x = withheld for reasons of confidentiality

Source: Department of Foreign Affairs and International Trade

### Value of Canadian Metal Export Trade by Commodity, 2008 and 2009 (\$000s)

Commodity	2008	2009
Iron and steel	17,003,013	10,313,075
Gold	8,968,838	9,381,023
Aluminum	11,848,355	7,650,155
Miscellaneous metal products	6,289,748	4,669,160
Copper	6,585,103	4,099,917
Nickel	7,468,721	3,470,382
Iron ore	3,086,186	3,369,454
Uranium and thorium	2,037,647	1,747,656
Zinc	1,885,066	1,424,778
Silver	806,280	813,884
Lead	652,893	524,854
Vanadium	373,850	346,019
Cobalt	765,992	321,340
Molybdenum	560,138	250,962
All other metals	1,048,798	736,821
<b>Total metal exports</b>	<b>69,380,629</b>	<b>49,119,479</b>

Sources: Natural Resources Canada; Statistics Canada.

Notes: Totals may not add due to rounding.

# Canada's Strategic Resources Policy Briefing

## Strategies for tapping Arctic resources

JOSEPH DOUCET,  
RICHARD DIXON  
AND ANDREW LEACH

Canada's North is changing, that is not a question. The real question for Canadians is how we can collectively respond to climatic, political and social changes in productive ways that serve the development needs of the North while also moving our country forward.

How should energy and natural resources be developed? What changes to territorial rights and responsibilities need to be initiated in order to move forward?

Our first observation is that a fundamental prerequisite to successfully addressing both the opportunities and challenges in Canada's North is the active involvement and engagement of Northern peoples.

We are proud that the University of Alberta's Northern Strategy commits to partnering with Northern governments and institutions in order to develop capacity in the North.

It is recognized that this is fundamentally different from simply developing capacity or knowledge about the North. Thus, while Canada's North involves us all in some way, as Canadians, appropriate actions or responses need and require local knowledge and values and this requires capacity building, particularly skills and education, in the North.

A logical consequence of this is a thoughtful and purposeful move toward more territorial involvement in and responsibility for resource exploration and development. A greater sense of ownership, of both the resources and the responsibility of stewardship, will involve the territorial governments and residents as true partners in development decisions.

Our second observation regards the perspective that we Southerners tend to bring to the discussion. We in the South tend to

think of Northern development as an extension of Southern development.

For many, energy or economic opportunities, are automatically thought of as linkages between the North and Canada's South. A good example of this is the proposed Mackenzie Valley pipeline—a potential connection of gas resources in the Northwest Territories with Southern gas networks and markets.

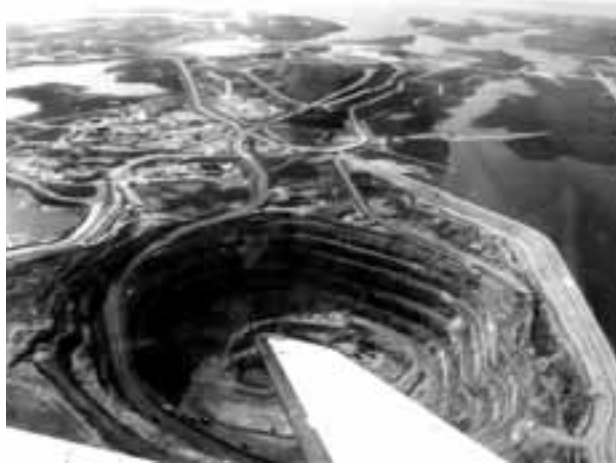
In order to get a better picture of the real "frontier" for Northern development, we have to look north not from our (Southern) perspective, but rather from the perspective of Canada's North, toward the Arctic ocean, toward shipping routes, and toward other Arctic nations. Our Southern markets are, of course, still relevant, but they are not the only game in town.

We have suggested two views of the world that don't help us solve the challenges per se, but rather should be starting conditions for analysis and policy development: Recognition of the need for Northern capacity building, including governance and resource management; and openness to a view of the world that is not Southern-centric.

What does this mean for Northern Canada and how does it relate to global challenges and opportunities? Much of the change that the North faces will be foisted upon us, either by climate, international trade or international diplomacy, whether we like it or not.

That said, the North finds itself in a potentially interesting position with appreciable reserves (some proven, others potential) of resources and potentially valuable new access to markets with the opening up of new shipping routes in the Arctic Ocean.

Is the development of primary resources, including energy resources, a good thing? Some would say not, suggesting the end of the carbon fuel economy or the dangers of dependency on global economic trends. We don't share this pessimism. While petroleum absolutely is a finite resource, most knowledgeable



Diavik Diamond mine in the Northwest Territories.

observers, including neutral agencies such as the International Energy Agency, expect the world to continue to find and use natural gas, oil and coal for a long time.

If anything, growing demand will continue to create upward pressure on prices, suggesting a growing value for owners and developers of the resources. Likewise mineral commodities continue to be in high demand despite cyclical fluctuations.

It seems that if the North can develop industries based on natural resources, hopefully with local value-added, and if this can be done with appropriate environmental safeguards, and contribute to economic development of the region, then we should certainly see this as a positive step.

Clearly northern development, whether

in energy or other sectors, has to bring with it Northern benefits. Environmental and social risks—and there clearly are risks associated with resource development—have to be compensated by local benefits in order to justify the tradeoff. Careful analysis of projects is required in order to ensure local benefits.

So in thinking about energy and development opportunities for the North, it is likely at least as important to turn our gaze to the Northern frontier as it is to the South.

For instance, while no one rejoices at the melting of the polar ice cap, we have to ask what it means in terms of increased shipping activity, with its costs and benefits for Northern Canada and our northern communities. What are the impacts on energy accessibility for the North? What does and will the territories have to offer international markets as Arctic shipping routes become more open? What comparative advantage will there be?

Finally, any strategy for northern development should include a sustainability focus. However, sustainability of the northern economies and peoples need not be at odds with resource development. A strategy which leads to investment in sectors and technologies that enable the North to engage with other economies, to create local value, to export goods and services and to develop its workforce is required.

Will this mean an exclusive focus on resources and energy? We doubt it. Could resources and energy be a part of the picture? We think that it is certainly possible, and hope that Northerners will be an active party to that decision.

*Joseph Doucet is the Enbridge professor of energy policy at the University of Alberta's Centre for Applied Business Research in Energy and the Environment. Richard Dixon is executive director of CABREE. Andrew Leach is a research assistant professor at CABREE. editor@embassymag.ca*

## Linking environment with development

ANDREW D. MIALL

Prime Minister Stephen Harper has described Canada as an "energy superpower."

The basis for this statement is that the Alberta oil sands are among the largest known remaining reserves of petroleum in the world. When the oil sands are counted in, Canada has more petroleum in reserve than Saudi Arabia.

In addition, new methods for producing shale gas could yield huge volumes of gas in at least four provinces, extending supplies for many decades.

Meanwhile, Canada's Arctic regions are part of one of the largest unexplored areas in the world for resources. The magnitude of these reserves sounds huge. Estimates suggest as much as 90 billion barrels of oil await discovery, in the north, and the Arctic has been described as a "vast storehouse" of energy.

However, it is important to put these resources into a global perspective. Canadian oil sands production is expected to reach 3.5 million barrels per day in 2025, but this is equivalent to only four per cent of daily global needs. And 90 billion barrels of oil—the size of the supposed Arctic storehouse—represents only about 1,000 days of global consumption. At least half of

this is expected to lie within Russian territorial limits.

These reserves, in total, do not change the concerns about "peak oil" that were first expressed by geologist King Hubbert in 1956. Current estimates suggest that the "peak" (the moment when consumption overtakes new discovery, and remaining reserves begin to finally run out) will arrive sometime in the middle of this century.

Only about seven per cent of the world's reserves are located in areas open to the world's major oil companies. The remainder is under the control of national governments, many of them, like Iran and Venezuela, hostile to the West. And there is increasing competition for these resources from growing economies, such as China and India.

At the same time, oil sands and shale gas come with significant environmental concerns. The oil-sands production process is energy intensive, requiring large amounts of water and natural gas (for heat) to liberate the oil from the sand. Tailings ponds full of polluted water and the long-term disturbance of huge areas of boreal forest are only the most obvious environmental issues.

Although government- and industry-funded research is gradually improving the efficiency and environmental impact of oil sands development, the impact will always remain large.

The Royal Society of Canada expert panel

report on the environmental and health impacts of the oil-sands industry, released in December, indicates that environmental conditions in the development area are comparable to those of industrialized urban settings, and that while severe health problems have not yet been detected, significant ecological disturbance is taking place. Tailings clean-up and land reclamation will require continued attention and investment for many years to come.

Amongst the most important environmental issues are those relating to water. Large amounts of water are required for the extraction of the bitumen from the oil sands. Recent developments include increased recycling of water, and the use of saline groundwater from deep aquifers, which will reduce the requirements for water removal from the river systems.

Current levels of use have been assessed as not yet excessive, although there are concerns about low water flow during the winter, and about the levels of industrial toxins being released into surface waters. Water requirements for shale gas are, however, enormous.

Water permits that have been issued for northeastern British Columbia would allow extraction from surface water systems of as much water as is being used by the city of Victoria. There is a need for more transparency regarding the chemicals used in the shale gas industry for the "fracing" process

that opens up the pores in the shale, because the used water is returned to the surface with the gas, generating concerns about possible pollution of surface fresh water.

There is a widespread unease that environmental issues are being subordinated to business interests. In most jurisdictions in North America, water-use licensing is under the authority of state/province oil and gas regulators, not environmental departments. The Science Advisory Panel commissioned by Environment Canada to report on environmental monitoring of the oil sands called for a comprehensive system to monitor groundwater and surface water pollution, and air quality.

There is time to put in place a first-class science-based system that operates transparently and is integrated with the project licensing process. This will require the federal and Alberta governments to work together, particularly with regard to their respective legislative mandates to protect the environment.

Up to now, development projects have been evaluated for their environmental impact in isolation; nobody has, as yet, taken proper account of the cumulative impacts of the industry.

*Andrew D. Miall holds the Gordon Stollery Chair in basin analysis and petroleum geology at the University of Toronto. He was a member of the Environment Canada Oil Sands Advisory Panel.*

*editor@embassymag.ca*

# Kenyan crackdown under the sun

■ A former *Embassy* reporter's first-hand account of police storming a political rally, and his own subsequent arrest.

Jeff Davis

Holding a copy of Kenya's new constitution high in the air, the presidential candidate demanded the dozens of police surrounding him to back down and allow his rally to take place.

"Under article 37 of the constitution, we have the right to assembly," Kenyan member of Parliament Eugene Wamalwa yelled at the police commandant. "We are here to test whether this constitution is a mere piece of paper, or whether this constitution can work."

It was Dec. 13 and the MP stood alone, save for a few reporters, in the middle of Nairobi's historic Kamukunji Grounds to challenge the heavy police presence. His hundreds of young supporters stayed cautiously back; all knew to expect outbursts of police violence.

The police commandant was little impressed, nor were the ranks of the feared General Service Unit riot squad who stood behind him, ready for action in the bright morning light.

"Now I'm telling you the meeting has been cancelled," the commandant said coldly. "We will use force if we have to."

"We shall not be intimidated," Mr. Wamalwa yelled into nearby television cameras even as a canister of tear gas bounced past his feet and began spewing noxious clouds. Then, with a great bellow, the lines of GSU charged forward with clubs and shields raised. Soldiers fired warning shots in the air. The MP and his crowds quickly scattered before them, dashing and ducking into the twisting alleyways of the surrounding slum.

Young voters, sick of the endless corrupt antics of Kenyan leaders, had travelled from across Kenya to throw their support behind a candidate they hope will bring a new generation into State House during the 2012 presidential elections. They arrived to find eight troop-filled military trucks cordoning Kamukunji Grounds.

Mr. Wamalwa's post-Independence Day rally, previously authorized, had been banned by Kenya's so-called "two principals": President Mwai Kibaki and Prime Minister Raila Odinga. The two understand the symbolic power of Kamukunji Grounds, having used it themselves in the past.

With enough space to assemble a crowd of perhaps 5,000, the unassuming grounds have long been a place where opposition leaders railed against the powers that be. Its name meaning "under the sun" in Swahili, it was host to major pro-independence demonstrations in the 1950s. It was also a forum for rioting against the autocratic rule of former president Daniel arap Moi, who held the country under his thumb from 1978 to 2002.

In those days, the security services were brutal and lawless, and would assault or kill protestors and political dissidents who dared to take action.

## 'I am a very dangerous man'

My freshly tear-gassed eyes watering, I darted through the slum, looping around to get a better view of the action. Arriving on the street next to the grounds, I saw 40-year-old Fred Wanyonyi fleeing the clash, his eyes ablaze and his body soaked from the torrent of a fire hose.

"Today's meeting was to inform the youth about their rights and the way forward," Mr. Wanyonyi had told me in an interview earlier. "The leaders are not practicing what they say. If they deny Eugene Wamalwa this opportunity to address the meeting, it's not right: there's freedom of expression."

I also glimpsed another ragged youth who had travelled that morning from Kasarani slum.

"If you try to fight for your rights, you will be knocked hard," he had told me earlier, surveying the occupied space.

Walking back down the hill towards the grounds with two network TV cameras on my heels, I caught sight of the Police commander pointing his stick at me and barking orders to his riot squad. I had arrived that morning wearing my *Daily Nation* press pass, but he had nonetheless ordered me to leave the scene and stop interviewing the crowd, threatening me with arrest should I not comply.

As the riot cops ran towards me yelling "muzungu, muzungu" ("foreigner, foreigner"), I knew I was in trouble.

Two burly cops grabbed me and marched me across the grounds towards a police Land Cruiser, the TV cameras filming the whole scene. I demanded to know the reason for my arrest, but a plainclothes detective would not say. He simply told me to get in the truck, or he'd "have to use force."

I relented and was taken to the BuruBuru Police Station. I peppered the detective with questions, and resisted as they tried to seize my camera and digital voice recorder.

"I am a very dangerous man," the detective warned cryptically.

I shut up and listened to the three chat, and heard the detective say in Swahili: "Maybe Reuters."

I was ordered to hand over all my possessions. After more complaints and demands for the reason for my arrest, I surrendered them. In return I was given a yellow sheet of paper listing the seized property. I was then "booked."

Before being led to the cells, I grabbed a phone and called the *Daily Nation* newsroom and told Jillo, the courts reporter, what had happened. Then, after being told to remove my shoes, tie and belt, I asked "Am I going in the cells?"—with more than a small quake in my voice. The cop nodded.

I gulped and wondered what the hell I had gotten myself into, imagining all sorts of burly African convicts and steeling myself.

I was led down a narrow, gated hallway with five doors shooting off the sides. The first was a smelly toilet room with four dirty Turkish toilets. I was put in the second one where two very tall and built men lounged on thin mattresses along the floor. I shook their hands as they looked at me in shock and disbelief, asking: "What are you in for?"

I glanced back outside the door of the cell (none were locked) and saw another seven or 10 prisoners huddled, gawking at me wide-eyed.

I asked the big guys if I could sit down on their mattress, and they welcomed me as I told my story.

A few minutes later, I was transferred to a cell marked "Special Prisoners," noticing as I walked that I had been sitting in a cell labelled "Dangerous Prisoners."

The "special" room was less comfortable, amounting to a basic eight-foot by eight-foot concrete box with bare walls and no furniture. I heard the door close and lock behind me.

After perhaps an hour I was fetched from the cell and given my shoes and tie back, before being questioned by a team of detectives who grilled me with questions about my identity and activities that morning. I was then led upstairs to the office of the District Chief Investigations Officer, the station's commanding officer.

A wave of relief came over me when I saw that Casper Waithaka, another *Nation* reporter and personal friend, was waiting in the upstairs hallway.

As the investigations officer reviewed the notes prepared by his subordinates, his cell phone rang and he left the room. I learned later the call was from the provincial police



Tear gas spews from a canister at the feet of political activists in Nairobi, Kenya on Dec. 13.

officer, Nairobi's top cop, ordering my immediate and unconditional release from custody. As soon as I called the newsroom, the *Nation's* editors and security officers began calling all their police contacts to demand my release.

The officer returned and said I was free to go, and that he hoped I harbored no hard feelings for this big "misunderstanding." He explained that the police on the scene did not believe I was a journalist, despite proper credentials, and suspicion of being an American agent who was organizing and inciting youth to protest against the government.

For the last week, front-page stories had detailed Wikileaks revelations that the United States wants "regime change" in Kenya, and

for the corrupt powers to be turfed from office. America's plan is to mobilize youth voters and fund youth organizations, and the police believed I was part of this scheme.

I recovered my belongings, and was dismayed to find that all the dramatic photos I had snapped that morning were deleted. But upon returning to the *Daily Nation* newsroom, I got down to writing and photo editor Joan Pereruan managed to recover the deleted photos, which ran in the next day's paper.

Former *Embassy* reporter Jeff Davis is currently working for the *Daily Nation* in Nairobi, Kenya through a fellowship with the Aga Khan Foundation.

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## Vice President, Biologics and Vaccines Ottawa, Canada

Rx&D is the national association of leading research-based pharmaceutical companies dedicated to improving the health of all Canadians through the discovery and development of new medicines and vaccines. The Rx&D community represents over 15,000 men and women working for 50 member companies, and is responsible for generating 60,000 jobs across Canada. Today, our members are the driving force of research and discovery in biologics and vaccines which are playing an increasingly important role in the delivery of health care.

As Vice President, Biologics and Vaccines, you will report to the President and provide support and leadership to Rx&D's Vaccines Committee and the Biologics Committee. You will focus on increasing the effectiveness of Rx&D's overall strategy and objectives related to access to medicines, and creating world class innovation, intellectual property, health and pharmaceutical

policies. Within the organization, you will work collaboratively with your colleagues and fellow Vice President's, championing initiatives that integrate specific vaccine and biologic priorities into the tactical plans of all Rx&D departments and committees. Externally, you will create and maintain relationships with member companies, governments, not-for-profit, and health policy communities as well as other key stakeholders to develop a shared understanding of emerging issues, and to implement comprehensive and effective action plans to position Canada as a leader in the area of biologics and vaccines.

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### Director of Communications:

#### Company Information

The Canadian Propane Association (CPA) is the new national voice of the Canadian propane industry, a multi-billion dollar industry that represents over 400 members across Canada.

#### Job Description

Based in Ottawa and reporting to the CEO, the bilingual Director of Communications will be responsible for promoting the Canadian propane industry's priority issues, policy positions and messages. You will lead the development and implementation of the new CPA's communications strategies, including internal and external communications, public affairs activities, and advanced social media applications.

#### Requirements:

- Bilingual (French and English);
- A strategic thinker, you will develop, manage all forms of the Association's communications;
- Experience in planning and delivering effective internal and external communication strategies;
- Strong background in the use of Web 2.0, and strategic use of social networking tools;
- Strong program / project management and budgeting skills;
- Strong interpersonal skills and verbal and written communication skills;
- Oversee and/or write speeches and position papers for the Association;
- Experienced media relations practitioner;
- University degree in business, communications or a related discipline.

#### Contact Information

Interested candidates should forward a resume and cover letter to [careers@propane.ca](mailto:careers@propane.ca) no later than January 23, 2011.  
[www.canadianpropaneassociation.ca](http://www.canadianpropaneassociation.ca)

### Directeur/directrice des communications :

#### Renseignements sur l'entreprise

L'Association canadienne du propane (ACP) est le nouveau porte-parole national de l'industrie canadienne du propane, soit une industrie de plusieurs milliards de dollars qui représente plus de 400 membres partout au Canada.

#### Description de l'emploi

Travaillant à partir d'Ottawa et relevant du chef de la direction, le directeur/la directrice des communications bilingue sera responsable de promouvoir les enjeux prioritaires de l'industrie canadienne du propane, ainsi que les messages et les positions en matière de politique. Il/elle dirigera l'élaboration et la mise en œuvre des nouveaux programmes de communication de l'ACP, y compris les communications internes et externes, les activités liées aux affaires publiques, de même que les applications avancées de médias sociaux.

#### Exigences :

- bilingue (français et anglais);
- faisant montre de réflexion stratégique, il/elle préparera et gèrera tous les types de communications de l'association;
- expérience pour la planification et la prestation de programmes efficaces de communications internes et externes;
- solides antécédents pour l'utilisation de Web 2.0 et utilisation stratégique des outils de réseautage social;
- solides aptitudes pour la gestion de programmes/projets et de budgets;
- solides habiletés en communications interpersonnelles et compétence pour les communications verbales et écrites;
- coordination ou rédaction de discours et d'exposés de position pour l'Association;
- expérience pratique des relations avec les médias;
- diplôme universitaire en affaires, en communications ou dans une discipline connexe.

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Merci de nous faire parvenir votre candidature (Lettre de motivation et CV) par courriel au plus tard le 23 janvier, 2011 à [careers@propane.ca](mailto:careers@propane.ca).  
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## Communications and Policy Director

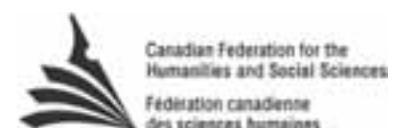
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This individual will manage the communications and policy team and work with blue ribbon panels of scholars across the country on specific policy issues (e.g. copyright; digital economy; R&D). He or she will also be a member of the senior management team, and will be accountable for organizational outcomes.

Finally the Director will track, measure and evaluate the effectiveness of all communications and policy work. These results will be reported to appropriate audiences and used to develop future plans and activities.

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# Envoys & Events

## Greek envoy to sell economic progress

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**E**leftherios Anghelopoulos has started his job as Greece's new ambassador to Canada at a time of critical importance. His country is slowly trying to improve its international image, which saw much better days before its financial problems were thrown into the spotlight in the last year.

"I think I would like very much through my work here to inform all my interlocutors about the concrete progress that has been achieved [in Greece]," he says.

After having presented his credentials at the end of November, the energetic Mr. Anghelopoulos did not waste any time embarking on his new mission, creating for himself—and his staff—a packed schedule. The ambassador is busy meeting with Canadian politicians and government officials, as well as attending and hosting events for the Greek community.

Greece made countless international headlines last year as one of the European Union countries most heavily hit by the economic crisis. After intensifying speculation about the possibility Greece would default on its massive debt, euro-zone members and the International Monetary Fund agreed

in May on a three-year bail-out package worth about \$150 billion in an effort to rescue the country's economy.

But the country remained in the news after thousands of angry Greeks took the streets to protest austerity measures the government enacted to finance that loan.

Despite the uproar, Mr. Anghelopoulos says the measures are already showing good results. There have been spending cuts and structural reforms, while the country has already started to reduce its deficit; and an improved tax collection system is also in place to tackle Greece's widespread problem with tax avoidance.

"I think this economic crisis is affecting many countries and we have seen on our TVs that somehow similar events take place in other countries," Mr. Anghelopoulos says about the protests. "What I am saying is that I believe the effort of the Greek government has produced concrete results.... We would like this image about the improvements, but also about the opportunities in Greece, to be reflected in the media, and also to become known to every Canadian that has, I believe, a positive image about Greece."

The Greek government has also focused its economic rebuilding efforts externally. There is a new strategy in place meant to increase exports and also a new law that adopts a "fast-tracked approach to foreign investment," improving the business environment in the country, says Mr. Anghelopoulos, whose last job was that of director general of economic relations, seeking new bilateral economic opportunities for his country.



Greek Ambassador Eleftherios Anghelopoulos.

The new investment law came into force at a very opportune time, just a couple of weeks before International Trade Minister **Peter Van Loan's** visit to Athens on Dec. 9 and 10. Mr. Anghelopoulos hopes the improved investment climate in his country will have convinced Mr. Van Loan and his accompanying business delegation that Canada and Greece share interests and can benefit from opportunities in areas such as renewable energy and waste management. He's also hoping a Canada-Greece tax treaty that came into force on Dec. 16, eliminating double taxation in order to prevent fiscal evasion, will help matters further.

Mr. Anghelopoulos holds a graduate degree in law from the University of Athens and post-graduate studies in sociology. He served as his country's ambassador to Georgia and as deputy head of mission at the embassy in Washington. He has also served in Russia and Belgium.

What made the presentation of his credentials in Canada special, he says, is the fact that his family was also invited to the event, something he says is not a universal standard.

"What was important was that at the beginning of my posting my family members were present, because we shared this moment together," Mr. Anghelopoulos says.

The ambassador is married with two daughters, 15 and 17.

He says he is ready to start including in his busy schedule trips outside of Ottawa, to visit the "big and beautiful country."

[agurzu@embassymag.ca](mailto:agurzu@embassymag.ca)

# OTTAWA Listings

Submit your Ottawa-based event to [listings@embassymag.ca](mailto:listings@embassymag.ca) or fax to 613-232-9055 by Friday at 5 p.m.

### WEDNESDAY, JAN. 12

**Screening: Cannes International Ad Festival 2010**—One might think that paying money to go see 126 minutes of advertisements is slightly silly. Not in this case! Ninety-five spots from all over the world, including Canada, were chosen by the Cannes jury. From cute animals and kids to the Old Spice guy, there is something to tickle everyone's funny bone. While some of the picks are a little more serious than others, laughs are never too far away. Dir. various. Runs until Jan. 13. 6:40 p.m. Check schedule for show times. Bytowne Theatre, 325 Rideau St. 613-789-3456 or [www.bytowne.ca](http://www.bytowne.ca)

**Screening: Precious Life**—With the help of Israeli journalist Schlomi Elder, an Israeli pediatrician and a Palestinian mother struggle to get treatment for her baby, who suffers from an incurable genetic disease. Set against the backdrop of Israel's 2008-09 blockade of Gaza, the documentary showcases the possibility of friendship in impossible circumstances. Dir. Schlomi Elder. Israel, 2010. In English, Hebrew and Arabic with English subtitles. 9:20 p.m. Bytowne Cinema, 325 Rideau St. 613-789-3456 or [www.bytowne.ca](http://www.bytowne.ca)

### FRIDAY, JAN. 14

**Beyond the Military Mission in Afghanistan**—NDP Leader Jack Layton will discuss "Canadian Leadership: Beyond the Military Mission in Afghanistan." Presented by CIPS at the University of Ottawa. 2 p.m. Free. In English and French. Room 3120, Desmarais Building, 55 Laurier Ave. E. [www.cips.uottawa.ca](http://www.cips.uottawa.ca)

**Screening: London River**—In the aftermath of the July 2005 London bombings, two frantic parents, one a Christian, the other Muslim, desperately search for their children while developing an uneasy friendship. Dir. Rachid Bouchareb, Belgium, 2009. 7 p.m. Runs until Jan. 20. Check schedule for show times. Bytowne Cinema, 325 Rideau St., Ottawa, Ont. 613-789-3456 or [www.bytowne.ca](http://www.bytowne.ca)

**Inequality and Economic Development in China**—Dr. Joseph Wong, University of Toronto, will speak on the topic of "Beneath the Miracle: Inequality and Economic Development in China." Presented by the Canada-China Friendship Society. 7:30 p.m. \$5 non-members. Room A, Library and Archives Canada, 395 Wellington St. 613-729-3660 or [www.fccfa.ca/Ottawa](http://www.fccfa.ca/Ottawa)

**CFUW Snowshoeing Event**—The Canadian Federation of University Women-Diplomatic Hospitality Group invites spouses of diplomats and women diplomats to join them for the group's first snowshoeing event. For more information about Friday morning diplomatic socials, call Sherry Pacey at 613-836-5146 or email [UlleBaum@rogers.com](mailto:UlleBaum@rogers.com)

### TUESDAY, JAN. 18

**The Impact of Enlargement on the EU**—Join guest speaker Giovanni De Girolamo of the European Union Delegation to Canada for a talk on "The Enlargement on the European Union: Lessons Learned." 2:30-4 p.m. Free. Room 433, Paterson Hall, Carleton University, 1125 Col. By Dr. <http://www.carleton.ca/ces/>

**Screening: Iranium**—The Free Thinking Film Society presents a screening of Iranium, a film that looks at Iran's development of a nuclear program and the potential dangers involved. Followed by a Q&A and reception. 7 p.m. \$8-\$15. Library and Archives Canada, 395 Wellington St., Ottawa, Ont. [info@freethinkingfilms.com](mailto:info@freethinkingfilms.com)

### WEDNESDAY, JAN. 19

**African Studies Brownbag Seminar Series**—Prof. Doris Buss will discuss "The Politics of Telling (Rwandan History): Prosecuting Genocide at the International Tribunal for Rwanda." 1-2:30 p.m. 433 Paterson Hall, Carleton University, 1125 Col. Br Dr. 613-520-2600 ext. 2220 or [African\\_Studies@carleton.ca](mailto:African_Studies@carleton.ca)

**A Court of Last Resort**—Prof. Errol P. Mendes of the University of Ottawa will discuss his new book *Peace and Justice at the International Criminal Court: A Court of Last Resort*. Presented by CIPS. 4 p.m. Free. Room 3120, Desmarais Bldg., 55 Laurier Ave. E. <http://www.socialsciences.uottawa.ca/cepi-cips/eng/about.asp>

**CJSO Monthly Dinner**—Join guest speaker Jonathan Browns for dinner and a presentation on *Original Japanese Paper Making*. 6 p.m. Genji, 175 Lisgar St. RSVP to [cjsso-ottawa.com](mailto:cjsso-ottawa.com)

# New Media & Copyright

**THE HILL TIMES**  
POLICY BRIEFING

Publication Date:  
**Jan. 17, 2011**

Booking Deadline:  
**Jan. 12, 2011**  
(Noon, Ottawa Time)

The Hill Times will dig into "New Media & Copyright" issues in this important and timely policy briefing on Jan. 17.

In it, we'll examine, with leading media experts and policy insiders, the massive issue of the future of Canada's newspapers in the digital age.

As well, we'll look at one of the hottest issues on the federal scene, Bill C-32, the Copyright Act, also one of the most lobbied bills in Parliament.

Bill C-32 is the federal government's efforts to modernize the outdated copyright laws, but it's one of the most controversial bills in

Parliament. Artists say the bill will give consumers new rights, but will not compensate creators for new uses of their work. We'll look at all the issues: digital locks, the creators of intellectual content and the protection of their rights, the preservation of cultural material, and how the bill will affect Canadian culture.

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# Party Time



**1** **Château Laurier**  
**Staff at the Château Laurier hosted a lavish Christmas party on Dec. 9.**  
 1. Cameroon High Commissioner Anu'a-Gheyle Solomon Azoh; Conservative Senator Raynell Andreychuk; and Château Laurier general manager Richard Payette.  
 2. Kathryn Davis, Château Laurier director of catering; Ukrainian Ambassador Ihor Ostash; and his wife Maryna Hrymch.



**2**



**3** **Croatia Farewell**  
**Croatian Ambassador Vesela Mrden Korac hosted a reception at her residence on Dec. 16 to bid farewell to friends as she prepared to return home.**



**4**  
 3. Sam Toma and Yumiko Tsunakawa, owners of Zenteriors.ca; Ms. Mrden Korac; Percy Abols, retired DFAIT official.  
 4. Ms. Mrden Korac chats with Treasury Board President Stockwell Day.  
 5. Fidel Coloma, first secretary at the Chilean Embassy, and Deepak Obhrai, parliamentary secretary to the foreign affairs minister.



**5**



**6** **Santa Lucia**



**7**  
**8**  
**The Swedish Embassy hosted a Christmas buffet at the residence on Dec. 13.**  
 6. Swedish Ambassador Teppo Tauriainen; New Zealand High Commissioner Andrew Needs; and Mr. Needs's wife Bronwyn Anne Klenner.  
 7. DFAIT chief of protocol Robert Peck; House of Commons Speaker Peter Milliken; German Ambassador Georg Witschel.  
 8. Finnish Ambassador Risto Ensio Piiipponen; Lithuanian Ambassador Gintė Bernadeta Damusis; Latvian Ambassador Margers Krams; and Slovakian Ambassador Milan Kollar.



**9**  
**British High Commissioner Anthony Cary bid farewell to friends and colleagues at Earncliffe on Dec. 16.**  
 9. Danielle Leclair; Bloc Québécois Defence critic Claude Bachand; and Clare Cary, wife of Mr. Cary.  
 10. Slovenian Ambassador Tomaz Kunstelj; Mrs. Cary; Mr. Cary; and Jacques JM Shore, partner and national chair at Gowlings.



**10** **Goodbye High Commissioner Cary**



**11** **European Union**  
**EU Delegation First Counsellor Giovanni Di Girolamo and his wife Carolina Gallardo-Frias Di Girolamo hosted a Christmas party on Dec. 9.**  
 11. Elaine Larsen, executive assistant to Mr. Di Girolamo; Dave Journeaux, graphic design artist at Melodic Creative; Mary Burke-Cameron, RBC account manager for embassies; Eric Cameron, president of Rideau Gate Associates; Mr. Di Girolamo; and Warren Senkowski, political officer of EU relations in DFAIT.  
 12. Ms. Gallardo-Frias Di Girolamo; Mr. Di Girolamo; Peter Storer, deputy head of mission at the Austrian Embassy; Mrs. Storer.  
 13. Lambros Kakissis, deputy head of mission at the Embassy of Greece; Russell Stubbart, deputy director of the European Union desk in DFAIT; Masahiro Fukukawa, deputy head of mission at the Japanese Embassy.



**12**  
**13**

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