1

49546

O-315-01687-2

National Library
of CanadaBibliothèque nationale
du CanadaCANADIAN THESES
ON MICROFICHETHÈSES CANADIENNES
SUR MICROFICHE

NAME OF AUTHOR/NOM DE L'AUTEUR George Steven TAKACH

TITLE OF THESIS/TITRE DE LA THÈSE Clark and the Jerusalem Embassy Affair:
Initiative and Constraint in Canadian
Foreign Policy

UNIVERSITY/UNIVERSITÉ CARLETON UNIVERSITY

DEGREE FOR WHICH THESIS WAS PRESENTED/
GRADE POUR LEQUEL CETTE THÈSE FUT PRÉSENTÉE M.A. - Int'l Affairs

YEAR THIS DEGREE CONFERRED/ANNÉE D'OBTENTION DE CE DEGRÉ 1980

NAME OF SUPERVISOR/NOM DU DIRECTEUR DE THÈSE Prof. Payton V. Lyon

Permission is hereby granted to the NATIONAL LIBRARY OF
CANADA to microfilm this thesis and to lend or sell copies
of the film.

The author reserves other publication rights, and neither the
thesis nor extensive extracts from it may be printed or other-
wise reproduced without the author's written permission.

L'autorisation est, par la présente, accordée à la BIBLIOTHÈ-
QUE NATIONALE DU CANADA de microfilmer cette thèse
de prêter ou de vendre des exemplaires du film.

L'auteur se réserve les autres droits de publication; ni la
thèse ni de longs extraits de celle-ci ne doivent être imprimés
ou autrement reproduits sans l'autorisation écrite de l'auteur.

DATED/DATE Oct 5, 1980 SIGNED/SIGNÉ George Takach

PERMANENT ADDRESS/RÉSIDENCE FIXE 29 Shippigan Cres.
Wilowdale, ONTARIO
M2J 2G1

National Library of Canada
Collections Development Branch

Canadian Theses on
Microfiche Service

Bibliothèque nationale du Canada
Direction du développement des collections

Service des thèses canadiennes
sur microfiche

NOTICE

The quality of this microfiche is heavily dependent upon the quality of the original thesis submitted for microfilming. Every effort has been made to ensure the highest quality of reproduction possible.

If pages are missing, contact the university which granted the degree.

Some pages may have indistinct print especially, if the original pages were typed with a poor typewriter ribbon or if the university sent us a poor photocopy.

Previously copyrighted materials (journal articles, published tests, etc.) are not filmed.

Reproduction in full or in part of this film is governed by the Canadian Copyright Act, R.S.C. 1970, c. C-30. Please read the authorization forms which accompany this thesis.

**THIS DISSERTATION
HAS BEEN MICROFILMED
EXACTLY AS RECEIVED**

AVIS

La qualité de cette microfiche dépend grandement de la qualité de la thèse soumise au microfilmage. Nous avons tout fait pour assurer une qualité supérieure de reproduction.

S'il manque des pages, veuillez communiquer avec l'université qui a conféré le grade.

La qualité d'impression de certaines pages peut laisser à désirer, surtout si les pages originales ont été dactylographiées à l'aide d'un ruban usé ou si l'université nous a fait parvenir une photocopie de mauvaise qualité.

Les documents qui font déjà l'objet d'un droit d'auteur (articles de revue, examens publiés, etc.) ne sont pas microfilmés.

La reproduction, même partielle, de ce microfilm est soumise à la Loi canadienne sur le droit d'auteur, SRC 1970, c. C-30. Veuillez prendre connaissance des formules d'autorisation qui accompagnent cette thèse.

**LA THÈSE A ÉTÉ
MICROFILMÉE TELLÉ QUE
NOUS L'AVONS REÇUE**

Clark and the Jerusalem Embassy Affair:
Initiative and Constraint in Canadian Foreign Policy

by

George Takach, B.A.
c 1980 by George Takach

A thesis submitted to the Faculty of
Graduate Studies and Research in partial
fulfilment of the requirements for the degree of
Master of Arts
in International Affairs

The Norman Paterson School of International Affairs
Carleton University
Ottawa, Ontario
Canada
August, 1980

The undersigned recommend to the Faculty of Graduate
Studies acceptance of the thesis "Clark and the Jerusalem
Embassy Affairs: Initiative and Constraint in Canadian
Foreign Policy" submitted by George Steven Takach, B.A.
Hon., in partial fulfilment of the requirements for
the degree of Master of Arts.

P.V. Lyon,
Supervisor

J.H. Sigler, Director,
The Norman Paterson School of
International Affairs

Abstract

Joe Clark's brief sojourn at 24 Sussex affords the student of Canadian politics precious little in the way of distinctive, Tory domestic policy. One Conservative foreign policy issue, however, the Jerusalem Embassy Affair, does stand out as significant and much deserving of study inasmuch as it permeated the Conservatives' nine months in power and contributed to Clark's defeat at the polls in February 1980.

Jerusalem speaks volumes about the formulation and conduct of Canadian foreign policy by illustrating such phenomena as domestic interest group activity and international power politics. Jerusalem also has a great deal to say about initiative, and especially constraint, in Canadian foreign policy generally by revealing several of the contemporary restraints impinging upon the Canadian public policy process. Jerusalem, however, is only the most recent case of constraint in Canadian foreign policy inasmuch as the paucity of options is a recurrent theme in Canada's external affairs.

Acknowledgements

During the course of writing this study I have incurred two immense debts. The first is to the many members of the Canadian foreign policy community who allowed me to interview them. The second is to Professors Lyon and Sigler who each in their own way taught me that the value of the study of politics lies neither in statistics nor theory, but in people. For their enthusiasm, encouragement and insight I am grateful.

PLAN

INTRODUCTION

1

Objective

Method

Setting

CHAPTER I - INITIATIVE

22

Jerusalem and the Canadian Jewish Community

Conservative Policy on Jerusalem

Explaining the Initiative

CHAPTER II - CONFLICT

50

Arab Reaction

Explaining Arab Effectiveness

CHAPTER III - CONSTRAINT

68

Domestic Reaction

The Stanfield Mission

Explaining the Reversal

CONCLUSION

104

BIBLIOGRAPHY

115

INTRODUCTION

Objective

This study attempts to explain two Conservative policy reversals. On April 25, halfway through the 1979 federal election campaign and literally just minutes before a meeting with the Canada-Israel Committee (CIC) at a downtown Toronto hotel, Clark announced to the press that if the Conservatives found themselves in power after May 22 he would be prepared to transfer the Canadian Embassy in Israel from Tel Aviv to Jerusalem. Clark had refused to make such a commitment only a few months before while in the Middle-East on the grounds that it might adversely affect the Egyptian-Israeli peace negotiations. On June 5, at his first press conference as prime minister, Clark reaffirmed the Conservatives' new Middle-East policy by indicating that it was definitely the intention of the new government to move the Embassy to Jerusalem.

This reversal of the pre-April Conservative policy was followed by another reversal in the fall of 1979. On October 29 Clark, when tabling a report in the House of Commons, stated that the government no longer intended to move the Embassy from Tel Aviv, at least until such time as a just, comprehensive and lasting peace settlement between Israel and its Arab neighbours had settled the status of Jerusalem. In effect this amounted to abandonment by Clark of the initiative

he had announced several months earlier.

In explaining these two policy reversals, this study discusses Canadian Middle-East policy within the context of (a) Clark's and his advisors' decision-making style, (b) the Canadian domestic political process, especially the role of the Jewish and corporate lobbies, and (c) the economic relationship between Canada and the Middle-East. These and other factors are analysed in an effort to identify and weigh the various inputs which contributed to the two policy reversals. In addition to this primary objective, the study also makes observations, raises questions and draws conclusions emanating from the Jerusalem case study which are germane to Canadian foreign and domestic policy generally.

Method

Material gathered in interviews during the winter of 1979 and the spring and summer of 1980 comprises the bulk of information for this study. The more than thirty individuals subjected to questioning included Conservative cabinet ministers and their aides, officials from Ottawa's foreign policy bureaucracy, members of Canada's business and Jewish communities as well as representatives of the Arab diplomatic corps, academics and journalists. Almost without exception, the author found interviewees to be frank, forthright

and very willing to talk about their involvement in the Embassy Affair. This was especially true of Conservatives after the 1980 federal election.

Because nearly all of those who spoke with the author did so in confidence, it would be improper to disclose sources or attribute certain remarks in the text to specific individuals. This might well raise questions in the mind of the discriminating reader as to the quality of evidence found in the following pages. As a general rule, information from a source was only considered reliable if confirmed by two other sources and contradicted by none.

The study does not limit itself to a single, overriding paradigm or perspective. Rather, at different stages of the case study, various concepts found in the literature on decision-making, international economic power, etc. are drawn upon. Use of an analytic model, per se, is consciously limited to a rather simple "process of influence" model based on stimulus and response which compares changes of position closely linked over time.

Setting

The literature on Canada's relations with the Middle-East is not extensive. What little has been written tends to interpret Canada's Middle-East policy as a response neither to Canadian nor Middle-Eastern stimuli, but to imperatives emanating from New York, Washington and London. This externally

oriented interpretation is particularly evident in the works dealing with Canada - Middle-East relations between the time of Israel's creation in 1948 and the 1967 Six Day War.

Several assumptions are basic to the externally oriented interpretation of Canadian - Middle-Eastern relations. One fundamental proposition is that Canada has traditionally had no direct interest, material or otherwise, in the Middle-East;

The Middle-East is not a part of the world in which the Canadian people and their governments have tended to take much interest. Only a few Canadians fought there in the first of the two world wars; fewer still in the second. On the occasions when Canada was called upon during peace time to intervene - in 1885 when Sir John A. Macdonald refused to 'get Gladstone and Co. out of the hole'; and 1922 when Mackenzie King refused to help hold the line at Chanak - her responses were negative, and are recalled today chiefly for their constitutional significance.
(Eayrs, 1959:242-243)

That is, as opposed to many other powers, Canada has never had to rely on the Suez Canal in her maritime activity; nor until recently has Canada had oil interests or pressing geopolitical concerns in the region. In effect;

A la différence des Etats-Unis et des grandes puissances européenne, le Canada n'a pas eu d'intérêts économiques et stratégiques importantes au Moyen-Orient... Contrairement à ses alliés européenne, le Canada n'avait toujours pas d'intérêts directs dans cette région.
(Stein, 1977:380 & 386)

Given Canada's lack of direct interest in the Middle-East, the externally oriented interpretation of Canadian - Middle-Eastern relations explains Canada's relatively high degree of activity in the area as a function of the Israeli - Arab conflict, or, more precisely, of Canada's role in its management through the United Nations and Canada's concern over the rift between London and Washington as result of Middle-East conflict. As Stein explains:

Le cadre de référence du Canada pour sa politique au Moyen-Orient était le renforcement des Nations Unies et des relations entre ses alliés....La politique étrangère canadienne au Moyen-Orient a réagi à des stimuli qui provenaient de l'extérieur de cette region. (1977:381)

Canada's role at the United Nations began in April, 1947 when Britain referred the issue of its mandate in Palestine to the successor of the League of Nations. L.B. Pearson led the Canadian delegation to the General Assembly session convened to deal with the issue. Considering it as the United Nations' first real test, Pearson became active as the chairman of the Political and Security Committee which in turn helped create the United Nations Special Committee on Palestine (UNSCOP). Justice Ivan Rand, Canada's representative on the eleven member UNSCOP, concurred with the Committee's majority report which called for the partition of Palestine into separate entities and the internationalization of Jerusalem.

War between Israel and its Arab neighbours made impossible the implementation of the United Nations partition plan and also underlay further Canadian multilateral involvement in the region. In 1954 Canadian General E.L.M. Burns was made head of the United Nations Truce Supervisory Organization on Palestine. This position later led to General Burns being given command of UNEF I, the first major United Nations peacekeeping force ever assembled, which was dispatched to the Middle-East as a result of the 1956 Suez Crisis. This crisis represented the height of Canadian involvement in Middle-Eastern affairs through the United Nations both in terms of Pearson's labours in New York and Canada's peacekeeping contingent in UNEF I which remained in Egypt until Nasser ordered the withdrawal of Canadian peacekeeping troops on the eve of the June 1967 War.

Alliance maintenance - keeping manageable the divergence in British and American approaches to the Middle-East conflict - was also a major preoccupation of Ottawa's Middle-East policy makers throughout the 1948 - 1967 period. Referring to the 1948-1949 United Nations partition negotiations, Pearson recalls that

We worked hard, but well behind the scenes, to reconcile the United States and British points of view....It shows how quickly we stop playing the triangle in the international symphony when the British and American instruments are out of harmony. (Pearson, 1971:71)

In 1956, along with the dangerously high level of Anglo-

American fallout over Suez, Canada was concerned about the Commonwealth inasmuch as India's position on the crisis differed markedly with that of the United Kingdom, New Zealand and Australia. Throughout the Suez Crisis Pearson thus considered his work at the United Nations crucial to keeping intact the three foundations of Canadian post war foreign policy - NATO, the Commonwealth and the United Nations.

The externally oriented interpretation, then, understands Canada's Middle-East policy prior to 1967 as deriving its raison d'être from non-Canadian and non - Middle-Eastern sources. Tareq Ismael goes so far as to contend that

Canada has used Middle-East crises to advance Canadian aims in other contexts: for the augmentation of the United Nations' peacekeeping role; for the development of a Canadian peacekeeping role in international affairs; for prestige and influence within the Commonwealth and NATO.

(Ismael, 1977:271)

Ismael goes on to argue that inasmuch as Canadian Middle-East policy between 1948 and 1967 "evolved as a reaction to the changing relations among her allies and associates, rather than in response to the situation in the Middle-East", (1977:249) it is also the case that

the success or failure of a policy and its outcome is measured by Canada in terms foreign to the Middle-East. Thus, Canada's Suez policy was not successful in settling the Middle-East problem, but because the primary interest of Canada lay in Commonwealth and NATO relations,

49546

O-315-01687-2

National Library
of CanadaBibliothèque nationale
du CanadaCANADIAN THESES
ON MICROFICHETHÈSES CANADIENNES
SUR MICROFICHENAME OF AUTHOR/NOM DE L'AUTEUR George Steven TAKACHTITLE OF THESIS/TITRE DE LA THÈSE Clark and the Jerusalem Embassy Affair:Initiative and Constraint in Canadian
Foreign PolicyUNIVERSITY/UNIVERSITÉ CARLETON UNIVERSITYDEGREE FOR WHICH THESIS WAS PRESENTED/
GRADE POUR LEQUEL CETTE THÈSE FUT PRÉSENTÉE M.A. - Int'l AffairsYEAR THIS DEGREE CONFERRED/ANNÉE D'OBTENTION DE CE DEGRÉ 1980NAME OF SUPERVISOR/NOM DU DIRECTEUR DE THÈSE Prof. Peyton V. Lyon

Permission is hereby granted to the NATIONAL LIBRARY OF
CANADA to microfilm this thesis and to lend or sell copies
of the film.

The author reserves other publication rights, and neither the
thesis nor extensive extracts from it may be printed or other-
wise reproduced without the author's written permission.

L'autorisation est, par la présente, accordée à la BIBLIOTHÈ-
QUE NATIONALE DU CANADA de microfilmer cette thèse et
de prêter ou de vendre des exemplaires du film.

L'auteur se réserve les autres droits de publication; ni la
thèse ni de longs extraits de celle-ci ne doivent être imprimés
ou autrement reproduits sans l'autorisation écrite de l'auteur.

DATED/DATE Oct 5, 1980 SIGNED/SIGNÉ George TakachPERMANENT ADDRESS/RÉSIDENCE FIXE 29 Shippigan Cres.
Willowdale, ONTARIO
M2J 2G1

and the role of the United Nations, it was regarded as a brilliantly successful chapter in Canadian policy.
(Ismael, 1977:271-272)

Two other assumptions underpin the 'externally oriented' view of Canadian - Middle-Eastern relations. The first attributes much of Ottawa's success in the region to the neutral, non-partisan perception of Canada held by Middle-East actors. As Reford puts it;

One of the major reasons why Canada was able to play such a decisive role in the crisis of 1956 arose from its detachment and its impartiality....It had not taken sides....the government stuck to the principles involved, rather than the participants or the personalities. Thus, Canada had kept open its lines of communication with Tel Aviv and Cairo as much as with London, Paris and Washington. (Reford, 1971:137)

Canadian effectiveness in the Middle-East is also linked to several systemic factors at work globally and regionally between 1948 and 1967 which allowed Canada to play its unique role. Again Reford is representative of the externally oriented interpretation when he maintains that

the Canadian role at the time of Suez was possible because of an unusual coincidence of circumstances. France and Britain found themselves isolated from the United States, from the new members of the Commonwealth and from many allies in NATO....Neither of the world's two super powers, the United States and the Soviet Union, felt their national security was at stake....This opened the door for the middle powers, and Canada had the qualifications to step in. (Reford, 1971:142-143)

These are the major conceptual pillars upon which rests the

classical view of Canadian - Middle-Eastern relations. It is a flattering interpretation, made all the more attractive by the fact that Canada has received wide acclaim, including a Nobel Peace Prize, for its efforts in the Middle-East. For this reason, many of the myths with which this interpretation has come to be riddled persist in the literature despite the fact that another perspective is available which could correct or qualify some of the more fanciful aspects of the externally oriented view of Canadian - Middle-Eastern relations.

With the appearance of Kay's Canada and Palestine in 1977, a second perspective on Canadian - Middle-Eastern relations was advanced. Depicting the activity of the pro-Zionist lobby in Canada from its beginnings in the late 19th century to the creation of the State of Israel, Kay interprets Canada's Middle-East policy largely as a function of domestic political processes. While he does not deny the existence, and indeed the importance of external and systemic variables, he posits that a major determinant of Canadian Middle-East policy is the persistent activity of the Canadian Jewish community and its non-Jewish sympathizers.

The impact of the Jewish community on Canada's Middle-East policy is not at all well documented. Indeed, the Jewish community's influence is either greatly downplayed, as is the case in a recent Carleton master's thesis on Canadian - Middle-Eastern

relations^{*}, or only alluded to in a very general manner^{**}. Kay's volume is an important addition to the Canadian - Middle-Eastern literature because it deals thoroughly with the role of the Jewish community, but unfortunately only during the pre-1948 period and stops with the creation of Israel. Documenting the Zionist lobby in Canada from its inception in 1879 to the establishment of the Canadian Jewish Congress in 1919 and the Canada Palestine Committee in 1946, Kay describes Zionist lobbying in Canada on such issues as the Balfour Declaration, the San Remo Conference, the 1939 British White Paper and especially the creation of the State of Israel and its recognition by the government of Canada in the immediate post war years.

Kay finds the Zionist lobby in Canada during Mackenzie King's reign extremely active but not very successful. Kay attributes this in large part to King's own personal pre-dispositions. However, while registering only limited gains on its primary objectives, the Jewish community did succeed

* "The existence in Canada of approximately 275,000 Jews and 40,000 Arabs (1968) may have been an implicit influence on Canadian - Middle-Eastern policy. Nevertheless, there is no clear evidence that these two ethnic groupings played any role in determining Canadian policy in the years from April 1968 to December 1974." (Morelli, 1976:109)

** "The well organized Jewish lobby in Canada has pressed relentlessly for support of Israel....The remarkable influence of Canadian Jews comes less from their numbers....than from their wealth, their financial support of the Liberal Party, their superb organization and their concentration in large cities which vote Liberal." (Dobell, 1971:17)

in realizing many secondary goals. As Kay puts it;

The Zionists could not affect any change in the attitudes and policies of leaders and government officials. But they continued their activities to ensure that the Jewish case was constantly before the government. They countered adverse comments and activities and tried to engage as much public support as possible, achieving a modest degree of success with the establishment of the Canada Palestine Committee.
(Kay, 1977:169)

The activities begun by the Jewish community prior to 1948 took on new impetus with the passing of King from the political scene and have continued with vigour ever since. The raising of funds and other forms of non-governmental bilateral aid for Israel, the cultivation of non-Jewish religious groups and general societal support within Canada through the press and other means, and the lobbying of Ottawa's politicians and bureaucrats on a regular and intensive basis by leaders of the Jewish community comprise only some of the activities. Unfortunately, the documentation of the Jewish community's full impact upon Canada's Middle-East policy between 1948 and 1967 remains largely uncovered in library archives and private collections.

By the late 1960s many of the systemic factors which had allowed Canada to exercise effective middlepowermanship in the Middle-East since the second world war had changed sufficiently to reduce greatly Canadian influence in the region. At the global level Japan, China and especially Europe had reemerged

as major power centres with the accompanying effect of loosening Soviet-American bipolarity. In the Middle-East, multilateral peace initiatives under the auspices of the United Nations came to be overshadowed by direct American involvement in the Arab-Israeli conflict through first the Rogers Plan and later Kissinger's shuttle diplomacy.

From the early 1970s onwards Canada's self-professed neutrality vis-à-vis the Middle-East belligerents also came increasingly under attack. Canada's impartiality had already been questioned with reference to its British associations in 1956 by Nasser when he objected to the participation of Canadian troops in UNEF I. In 1967 the Egyptian president once again challenged Ottawa's even-handedness by lumping Canada in with the "American and British imperialists"¹. In 1973 Canadian participation in United Nations Middle-East peacekeeping was made contingent upon the addition of a Polish unit to UNEF II to counter balance what was perceived by the Arabs and the Warsaw Pact as Canada's pro-Western and especially pro-Israeli Middle-East foreign policy.

Arab behaviour toward Canada during the 1973 oil crisis reflects the degree to which it had ceased to be considered neutral in Middle-East affairs by the Arab world. Even though the United States and the Netherlands were the only two countries on the Arabs' official embargo list, shipments of Middle-East and particularly Saudi Arabian crude to Canada were

disrupted. Moreover, while Canada was not on the embargo list, neither was it on the "friendly" list as was Japan and most West European states.² The oil crisis also illustrates that by 1973 Canada had established important economic relations with the Arab world. It could no longer be said that Canada lacked tangible and direct interests in the region. In a single year, 1973-1974, exports to the Middle-East as a percentage of total Canadian exports more than doubled. Increased commercial activity with the Arabs underlies the opening of several diplomatic posts in the Middle-East in the mid-1970s and accounts for the numerous ministerial trade missions dispatched to the area throughout the last decade.

Canada's evenhandedness came to be further doubted by the Arabs with the emergence of the Palestinian question at the United Nations since the 1967 War. The Arabs consider a nation's voting record in New York on Palestinian related issues a major litmus by which to test its impartiality. Generally, Canada has argued repeatedly against the Assembly even debating one-sided resolutions which, it claims, serve only to drive a wedge between the Arabs and Israelis and do nothing to improve the atmosphere for negotiations. As well, Canada has consistently supported Security Council Resolution 242 of 1967 and 338 of 1973 as establishing the groundwork for a peaceful settlement in the Middle-East. This said, however, Canada was in its voting throughout the past ten

years the most staunchly pro-Israel of the Assembly's one hundred and forty odd members, save for the United States and several smaller Latin American countries.³

One significant Palestinian related issue involving the Canadian Jewish community was the cancellation of the United Nations Crime Conference which was to be held in Toronto in 1975. In an effort to prohibit the entry into Canada of members of the Palestine Liberation Organization (PLO), the Jewish community and its non-Jewish sympathizers mounted an intensive lobby effort aimed at the Toronto, Ontario and Canadian governments. Backed by widespread support from the media and the general public, the Jewish lobby spearheaded a broadly based anti-PLO campaign which ultimately resulted in the conference being moved to Geneva, much to the embarrassment and chagrin of officials in the Department of External Affairs*.

Since 1975 the Canadian Jewish community has also conducted a concerted lobbying effort against the application of the Arab boycott of Israel within Canada. Instituted in the late 1940s against Israel, this boycott only became a factor in Canadian - Middle-Eastern relations from the early 1970s onwards as a capital hungry and petroleum

* Cabinet and the Liberal Caucus were deeply divided over the Crime Conference, with some Toronto ministers literally weeping for its cancellation. Liberal Members from Quebec, on the other hand, felt that Canada's reputation as a responsible member of the United Nations was at stake. The compromise whereby External Affairs Minister MacEachen asked New York for a one year postponement of the UN gathering appeased Quebec Caucus and assured Toronto members that the conference would not be held in their city.

dependent Canada increasingly engaged in commercial activity with a capital exporting and oil rich Arab world. Two forms of boycott are particularly salient; the secondary boycott, where Canadian firms, as a condition of doing business with Arab League states, must agree to refrain from doing business with Israel or any Israeli company or national; and the tertiary boycott, where Canadian firms, as a condition of doing business with the Arab League, must agree to refrain from doing business with other Canadian firms that do business with Israel. The Jewish community argues that in the first case Canadians are compelled to boycott a country with whom Canada has friendly relations and against whom Canada has not itself authorized a boycott, while in the latter case the Arab boycott compels restrictive trade practices within Canada and between Canadian firms.

The application of the Arab boycott to Canada first came to light in 1975 when the Canadian government's Export Development Corporation was found to be insuring export transactions containing boycott clauses. One year later, on October 21, 1976, the then Secretary of State for External Affairs, Don Jamieson, outlined Ottawa's position by announcing the withdrawal of support assistance to any firms doing business in the Middle-East which comply with the boycott. Considering this a positive first step, the Jewish community has since lobbied the government to buttress its anti-boycott

sentiment with legislation prohibiting compliance and by statutory instruments and administrative directives of a specific nature which would more forcefully combat what the Jewish community sees as the compulsory and extraterritorial application of foreign law and regulations on Canadian firms and nationals. In the Report of the Commission on Economic Coercion and Discrimination (1977), authored by, among others, Irwin Cotler, Herb Gray, Judy Lamarsh and David Lewis, it is argued that

The issue, in effect, goes beyond the question of the boycott. What is at stake now is the credibility of our commitments and integrity of our policies. At some point we must say - the sovereignty of this country is not for sale. In defining our policy on the Arab boycott we are really making a statement about ourselves as a people. (p 10-11)

In many respects the boycott issue set the stage for the Jerusalem Embassy Affair. In December 1978, following Menachem Begin's visit to Canada, the Liberal government introduced Bill C-32 which would have put Jamieson's statement of October 1976 into legislative form. This boycott bill was expected to be speedily approved by Parliament in May 1979 inasmuch as it was assured the support of the Conservatives, but it was preempted by the issuance of the writ for the 1979 election. Bill C-32's death made ripe the taking of further action by Canada's three major parties in

response to the Jewish community; many Conservatives considered the promise to move Canada's Embassy in Israel from Tel Aviv to Jerusalem as a way to make up for Parliament's failure to pass even a mild anti-boycott bill.⁴

The boycott issue was also important in further raising Arab eyebrows about the direction of Canadian Middle-East policy. The Arab world had been following the anti-boycott debate within Canada since the mid-1970s and had made it clear to the Canadian government and both opposition parties that it would consider anti-boycott legislation as anti-Arab policy. In effect, the Arab reaction planned in opposition to Bill C-32 was put off for several months and only unleashed as a result of Clark's initiative on Jerusalem.⁵

The boycott issue is also the precursor of the Jerusalem issue inasmuch as it brings clearly into focus the Jewish lobby's role in the formulation of Canadian Middle-East policy. Along with the Jewish community's activity at the time of the 1975 United Nations Crime Conference, the issue illustrates the degree to which an internally oriented perspective on Canadian - Middle-Eastern relations had come to overshadow the classic, externally oriented view which had been prevalent prior to 1967.

* * * * *

The complex and seemingly intractable nature of the

Israeli-Arab conflict finds ample expression in Jerusalem. As one author puts it;

The fact that for many centuries Jerusalem has been a focal point for three religions is, in and of itself, the underlying reason why there have been so many violent clashes in the Holy City and the Holy Land. For Jews, Zion (Jerusalem) is a symbol of their ancient heritage, and a promise for the restoration of a Jewish State in Palestine. Indeed, many Jews feel that a Jewish state without Jerusalem as its centre would have little religious or political meaning. But Jerusalem is also central to Islam. Muhammed, according to the Koran, made a nocturnal trip to Jerusalem and the Holy Mosque and then ascended to heaven. Ever since the second caliph, Umar Ibn al-Khattab, accepted Byzantium's surrender of Jerusalem, shrines built there have made it the most important city for Muslims, after Mecca and Medina.... To complicate matters further, Jerusalem of course has a key religious significance for Christians of all faiths in the immediate area and throughout the world. (Van Dusen, 1972:37)

Canadian involvement in the Jerusalem issue dates from the time of the creation of Israel in 1948. As one of the eleven members of the United Nations Special Committee on Palestine, Canada recommended within the context of the Arab-Israeli partition plan that Jerusalem be constituted an international city for ten years, after which time its status would be reviewed. Following the 1948 Arab-Israeli conflict, Israel maintained control over western Jerusalem. This control was recognized in the 1949 Armistice Agreement and on December 13, 1949, West Jerusalem was proclaimed the Israeli capital.

After 1949 Canada called for the internationalization of the Holy Places rather than of the whole city and, prior to 1967,

gave de facto recognition of West Jerusalem as a part of Israel by conducting some diplomatic business there, while keeping its Embassy and other missions in Tel Aviv. The Canadian position changed during the June 1967 War when Israel captured the West Bank, East Jerusalem and the Old City formerly occupied by Jordan. Up until the time of Clark's initiative, however, Canada had not recognized this Israeli annexation and, like most of the world, regarded East Jerusalem and the Old City as Israeli occupied territory.

The location of the Canadian Embassy in Israel, then, is central to Canadian policy on the status of Jerusalem. At least three options were open to Clark after his April 25 electoral pledge. The first would have been simply to ignore his promise, as Jimmy Carter had done in 1976. Another possibility would have been to announce a policy favouring locating the Canadian Embassy in Jerusalem and supporting Jerusalem as a unified city under Israeli jurisdiction, but to do nothing concrete about moving the Embassy from Tel Aviv. Thirdly, a move of the Embassy could have been made with the explicit declaration that Canada in no way recognized Israel's annexation of East Jerusalem. That is, Clark could have pursued a de jure policy of recognition without a de facto move of the Embassy, or a de facto move without de jure acknowledgement of the unified character of the city. In effect, Clark found a

fourth alternative and announced de jure recognition
as well as a promise of a de facto move of the Embassy.

Notes

1. T. Ismael, in P. Lyon and Ismael (eds.) Canada and the Third World, 1976 p. 253
2. Facts on File, Vol. 33 No. 1721, October 21-27, 1973
and Montreal Gazette June 15, 1979
3. L. Grossman, "The Shifting Canadian Vote on Mideast Questions at the United Nations", International Perspectives May-June 1978
4. From interviews with Conservative Party officials and Members of Parliament.
5. From interviews with Arab diplomats.

and the role of the United Nations, it was regarded as a brilliantly successful chapter in Canadian policy.
(Ismael, 1977:271-272)

Two other assumptions underpin the 'externally oriented view of Canadian - Middle-Eastern relations. The first attributes much of Ottawa's success in the region to the neutral, non-partisan perception of Canada held by Middle-East actors. As Reford puts it;

One of the major reasons why Canada was able to play such a decisive role in the crisis of 1956 arose from its detachment and its impartiality....It had not taken sides....the government stuck to the principles involved, rather than the participants or the personalities. Thus, Canada had kept open its lines of communication with Tel Aviv and Cairo as much as with London, Paris and Washington. (Reford, 1971:137)

Canadian effectiveness in the Middle-East is also linked to several systemic factors at work globally and regionally between 1948 and 1967 which allowed Canada to play its unique role. Again Reford is representative of the externally oriented interpretation when he maintains that

the Canadian role at the time of Suez was possible because of an unusual coincidence of circumstances. France and Britain found themselves isolated from the United States, from the new members of the Commonwealth and from many allies in NATO....Neither of the world's two super powers, the United States and the Soviet Union, felt their national security was at stake....This opened the door for the middle powers, and Canada had the qualifications to step in. (Reford, 1971:142-143)

These are the major conceptual pillars upon which rests the

CHAPTER I - INITIATIVE

Jerusalem and the Canadian Jewish Community

The idea of moving Canada's Embassy from Tel Aviv to Jerusalem as a gesture of support for the people and government of Israel first emerged as a major issue within the Canadian Jewish community during Menachem Begin's state visit to Canada in November 1978. Begin urged the Canada-Israel Committee (CIC), an administrative umbrella organization comprising the Canadian Jewish Congress (CJC), the Canadian Zionist Federation (CZF) and B'nai B'rith, to take action on a number of issues important to Israel including the Arab boycott, non-recognition of the PLO and the transfer of the Canadian Embassy in Israel. The Israeli Prime Minister was particularly anxious to see the CIC mobilize on the Embassy issue because only one month before, in October 1978, Harold Saunders, the United States Assistant Secretary of State for Near Eastern Affairs, had allegedly assured East Jerusalem and West Bank Arab officials that as Israel was withdrawing from the Sinai, so too would it withdraw from other territories captured during the 1967 War as a result of the Camp David negotiations. Consequently, Begin was eager to secure Canadian recognition of Israeli authority over Jerusalem.¹

While the leadership of the CIC agreed unanimously with Begin as to the justice of the case for moving the Canadian Embassy, and readily committed itself to such a move in principle, since the fall of 1978 there had been a marked lack of consensus within the Canadian Jewish community with regard to tactics, especially timing. At the time of Begin's visit several academics prominently associated with the Jewish community were extremely reluctant to make the Embassy transfer a high priority issue. Harry Crowe, for example, the non-Jewish pro-Israel editor of Middle-East Focus, argued that Canadian attention ought to be kept focussed on Israel's survival. In a similar vein, York University professor Howard Adelman contended in the March 1980 issue of Middle-East Focus that

A year ago, I was opposed to any initiative by Canada on the issue of Jerusalem. In terms of history, morality and international law, I favoured a unified Jerusalem under Israeli control....But I did not see that I or Canada could or should influence such an outcome....Our primary commitment in the Middle-East, as far as Israel was concerned, was to resist any moves which threatened Israel's security or undermined its status as an independent nation.

(p. 8)

Both Crowe and Adelman hesitated to have the Canadian Jewish community mobilize on the Embassy issue for domestic political reasons; they foresaw the opposition from Christian leaders who favoured a form of shared jurisdiction over Jerusalem, and Canadian business interests, who feared Arab retaliatory action arising from a transfer of Canada's Embassy from Tel Aviv to Jerusalem.

Another hesitant academic was Irwin Cotler, a professor of law at McGill (and recently - April 1980 - elected president of the CJC) who questioned the appropriateness of pursuing the Embassy issue on the grounds that, with a federal election imminent, the Arab boycott, a domestic issue of concern to all Canadians, might be confused with Jerusalem, a foreign policy concern of secondary importance. The CJC similarly believed that the Embassy issue ought to take a back seat to the campaign already underway to lobby the federal government to bring forth tough anti-boycott legislation. In contrast, the executive of the CZF unreservedly endorsed the high priority of the Embassy question and urged that it be pursued actively by the CIC. From these two contending approaches the CIC leadership fused a compromise whereby it agreed to undertake an educational campaign on Jerusalem aimed both at Jews and Canadians generally. To this end a CIC pamphlet entitled "Jerusalem: An Historic and Legal Review" was published and distributed in February 1979.

The CIC policy conference in mid-February 1979, served to gauge the posture of the three major political parties vis-à-vis Jerusalem. Liberal spokesmen Herb Gray and Robert Kaplan both insisted that while the Embassy issue was beginning to heat up, it was still second in importance to the boycott question.² In his address to the convention,

External Affairs Minister Jamieson refused to commit the Liberal government on Jerusalem, arguing that Canadian evenhandedness in the Middle-East precluded any such initiative. By contrast, the 'Conservatives' foreign policy critic, Douglas Roche, took a hard anti-boycott line in his address and indicated that a Tory government would seriously consider moving Canada's Embassy to Jerusalem once an Egyptian-Israeli peace treaty had been signed. As for the New Democratic Party, Ed Broadbent's address was fuzzy and lacked even a cursory understanding of major Middle-East questions.

The dissolution of Canada's Thirtieth Parliament on March 22 and the call for a federal election for two months hence reopened debate within the Canadian Jewish community as to how best proceed with the Embassy issue. Several prominent Tory Jews, who were not in positions of leadership in the Jewish community, wished to make the issue a highly partisan one. The CZF, along with the B'nai B'rith (in line with a resolution adopted at an international B'nai B'rith conference in New Orleans), pushed for direct political action. The CJC was reluctant to make Jerusalem a high priority or partisan issue, but was amenable to a low key non-partisan effort.

After a great deal of debate, the CIC agreed to launch a campaign, focussed on Jerusalem and other issues of concern to the Jewish community, that would contact all parties and

candidates. As part of this effort, the CIC planned to meet with the leaders of the three major political parties. It succeeded in doing so only with Clark; Trudeau never agreed to a meeting and Broadbent, even though consenting to meet with the CIC, never found the time. The climax of the campaign was to be a major conference on Jerusalem in May to which representatives from all parties would be invited. While this conference was preempted by Clark's pledge of April 25, a make-up affair was hosted by the CIC on May 17 on the occasion of the visit to Canada of Israel's Minister of Justice.

The CIC's non-partisan efforts notwithstanding, the Embassy question very quickly became one of the election campaign's most partisan issues. Several high ranking members of the CJC such as Milt Harris, a former National Treasurer for the Liberal Party, argued that the Liberals would not move on the Embassy and that therefore introduction of the issue into the election campaign could only obtain Tory endorsement. Conversely, the immediate past president of the CZF, Max Schechter, publicly endorsed Ron Atkey, a gesture that was widely and correctly interpreted as favouring a partisan stand on the issue. Similarly, prominent Jewish Tories who did not hold official leadership positions in major Jewish organizations, such as Lew Moses and Rabbis Monson, Plaut and Fields, openly lobbied Atkey and Rob Parker for a Conservative commitment on Jerusalem. On the other hand, at least one prominent Jewish Tory, Toronto lawyer

Eddie Goodman, advised the Conservative Party against making any partisan announcement on the Embassy, arguing that such a gesture would be ill-received by Canadians generally and hence would prove to be politically unwise and even counter productive both to the Jewish community and Conservative Party. Perhaps most important was the influence of several Jews on Clark's election team, such as Reva Gerstein and especially Toronto lawyer Jeff Lyons, who by virtue of their close personal and professional association with Clark were crucial in helping to persuade the Tory leader to make his April 25 pledge.³

The Jewish community's involvement with the Embassy issue illustrates well the degree of fragmentation within this interest group vis-à-vis Middle-East questions. Far from being monolithic and undifferentiated, the Canadian Jewish community is divided along various religious, political and organizational lines. While there exists among Canadian Jews an over-riding obsession about the security of Israel, there is a divergence of opinion, especially in the wake of the 1973 War, as to how this security can best be achieved and what role Canada and the Canadian Jewish community ought to take in helping to ensure Israel's security. Accordingly, the student of the Canadian foreign policy process must bring sophisticated analysis to bear. Simplistic generalization only serves to obfuscate such fundamental questions as interest group delineation. Did Ron Atkey, for example, speak for the

Jewish community when he approached Clark about Jerusalem, and can he be considered part of the "Jewish Lobby" ? (Similar questions will arise when considering the role and impact of the Canadian business community and the corporate lobby.)

Another important point with regard to the Jewish community (expanded later in this chapter) concerns the degree to which policy makers act on the basis of what they perceive to be the demands of a certain domestic constituency. Very often an ethnic or other group will have action taken on its behalf that in fact was not asked for, or that was asked for in a different manner. Clark's April 25 announcement put the CIC in a very difficult position because while it welcomed the initiative, it feared that the domestic circumstances surrounding the decision would not allow for discussion of the Embassy issue on its merits. In effect, segments of the Jewish community, concerned about the political motives behind the Conservative initiative, felt that the April 25 decision was less a case of an interest group exercising pressure on a political party than a political party using an interest group for electoral gain.

Conservative Policy on Jerusalem

Clark did not meet with Begin during the Israeli Prime Minister's trip to Canada in November 1978. Shortly after

Begin's visit, individual Jews identified with the Tory party began to make representations to the leader of the opposition, and Conservative Party officials and Members of Parliament, urging that they adopt a policy favouring the transfer of the Canadian Embassy in Israel. It was also at this time that Ron Atkey became the Tory's expert on the issue. A former Member of Parliament for St. Paul's - a Toronto riding with a significant Jewish population - and a professor of international law, Atkey had a wealth of experience dealing with matters of concern to the Jewish community; he had drafted, for example, along with Eddie Goodman, Ontario's anti-boycott legislation in 1976. Early in January, 1979, Atkey prepared a brief on Jerusalem for Clark's world tour, which was delivered to the Tory leader en route to Israel. The report was mainly factual in tenor, dealing with the demographic, administrative and legal aspects of Jerusalem. While it advocated the transfer of Canada's Embassy from Tel Aviv, the report did not address itself to questions of tactics or timing or to the domestic and international ramifications of such a move.⁴

In Israel Clark was subjected to three differing points of view on Jerusalem. Begin spent half of his meeting urging the Tory leader to make a commitment then and there in support of moving Canada's Embassy. Several Conservative Party colleagues, who had flown to Tel Aviv to meet their leader,

including Atkey, Parker, Lyons and Irving Gerstein, also urged Clark to make the Embassy move Tory policy, but argued that Clark ought to announce such an initiative back in Canada.⁵ Finally, in an intensive briefing on the Middle-East with Edward Lee, Canada's Ambassador in Tel Aviv, Clark was strongly advised for diplomatic, economic and other reasons not to come out in favour of the Embassy move. Clark was also given a briefing document on Jerusalem prepared by the Conservative Party's research bureau and Douglas Roche, the Conservatives' foreign policy critic, which outlined more than a dozen reasons for not moving Canada's Embassy.⁶ Clark charted a careful course between these three approaches both in Israel and at his final press conference of the world tour in Amman, Jordan, by maintaining that any decision on the Embassy would require both further review back in Canada and a successful resolution of the Egyptian-Israeli peace process.⁷

At the CIC policy conference several weeks later, Douglas Roche advanced much the same position on Jerusalem stating that "when the impact of the present Egypt-Israel negotiations is measured, we will be prepared, in the context of our foreign policy review, to examine the question of moving the Canadian Embassy from Tel Aviv to Jerusalem". (Address to the CIC, February 14, 1979) Prior to the 1979 federal election, then, Tory policy on

Jerusalem was placed in the context of a general foreign policy review and was contingent upon the conclusion of a Middle-East peace settlement*.

About two months after Roche's address, Clark announced a radical shift in Tory policy. Just minutes prior to his election campaign meeting with the CIC on April 25, Clark released the following statement to the press:

In advance of my meeting this afternoon with the leaders of the CIC, I want to set forth the position of the Progressive Conservative Party in regard to the Canadian Embassy in Israel.

In Israel in January, I told Prime Minister Begin that I did not want Canada to make any changes in policy or practice which might have complicated the Egyptian-Israeli peace negotiations.

Thankfully, those difficult negotiations have now borne fruit. Both Egypt and Israel, assisted by President Carter, have signed the Peace Agreement. The result has been democratically affirmed within both countries. This historic peace event opens the way for Canada to take positive initiatives in the Middle-East.

* Much less tentative was the Conservative position on the Arab boycott. In his address to the CIC, Roche asserted that "In considering Canadian business interests in the Middle-East, however, the time is long past due for the Canadian government to prohibit compliance by Canadian firms with the Arab boycott. It is the policy of the Progressive Conservative Party to introduce legislation prohibiting compliance with the boycott along the lines of legislation now in force in the United States and the province of Ontario....Our party believes that the morality of the issue demands a law that prohibits compliance".

One such initiative would be the recognition of Jerusalem as the capital of Israel, with free access to its Holy Places provided to all faiths. As a symbol of this recognition, my government would be prepared to move the Canadian Embassy from Tel Aviv to the western part of Jerusalem, which has been part of Israel since the creation of the country in 1948.

In an effort to temper the boldness of the new policy, Clark's statement went on to say that the moving of Canada's Embassy ought

not to be construed as a taking of sides in the Arab-Israeli negotiations respecting the West Bank, the Palestinians, or the broader terms of a comprehensive peace agreement between all countries in the Middle-East. Rather, this foreign policy initiative is only a recognition of the political, administrative, demographic and legal realities of Jerusalem in 1979.

But then, to make unequivocal his party's intention, Clark ended his statement by asserting that

Jerusalem is and always has been the capital of the Jewish people, and the Jewish spirit. 'Next year in Jerusalem' is a Jewish prayer which we intend to make a Canadian reality.

When, after his electoral victory of May 22, Clark reaffirmed on June 5 that his government would indeed carry out his party's pledge, he could not give a specific date. However, he asserted that the Embassy promise would definitely be one on which his government would make good.

Explaining the Initiative

Any explanation of Clark's Jerusalem initiative must take into account three distinct, yet interrelated factors. First, both Clark and his senior advisors considered the transfer of Canada's Embassy to be a morally correct foreign policy initiative, justifiable on historic, administrative and especially legal grounds. Clark's team* was in unanimous agreement as to the justice of the case for moving Canada's Embassy in Israel. An added, electoral dimension must also be considered; whether or not there is such a thing as a "Jewish vote" in Canadian politics, Clark's election team certainly perceived there to be one and believed that it could be induced to vote Conservative by a promise to move Canada's Embassy. Finally, the June 5 press conference statement introduces a third element - namely the use of Jerusalem as a vehicle by which the Conservative government could impose itself on what Clark's transition team perceived to be Ottawa's Liberal bureaucracy.

The Conservative Party, from at least the time of Diefenbaker's ministry, had taken a consistently sympathetic

* Clark's "team", for the purposes of Jerusalem, comprised: Bill Neville, a former journalist, Liberal aide and Clark's chief of staff; Jim Gillies, a former professor of business administration, Member of Parliament and Clark's principal policy advisor; Lowell Murray, a longtime backroom Tory worker and Clark's chief electoral strategist, and Atkey and Parker, Conservative candidates in Toronto ridings with substantial Jewish populations.

view toward Israel. Party leader Robert Stanfield and Members of Parliament such as John Fraser and Gordon Fairweather have represented mainstream Conservative policy when expressing unequivocal support for the State of Israel. Throughout his time as head of the Party, Clark's perception of the Middle-East has been similarly slanted in favour of Israel. In a speech to the CIC shortly after becoming leader of the opposition, Clark stated that

Israel began as an idea, founded in the old testament and nurtured through generations of Jews. When that idea became a nation in 1948... that did not limit the need for that idea. As long as there is anti-semitism in the Soviet Union, as long as Jews in Arab countries suffer indignities and fear, as long as anti-semitism exists anywhere, then the role of Israel as a refuge, as a homeland, remains relevant and important. (PC press release, April 29, 1976)

In the same speech Clark asserted that

Israel's right to exist is simply not open to discussion. Nor is it negotiable....Israel survives because of the determination of its own people, the commitment of its friends, however numerous they may or may not be, and the support of a few nations who refuse to be blackmailed by the politics of oil or the machinations of the communist block. I ask the government of Canada that it understand that in so far as my colleagues in the House of Commons are concerned Canada must always be one of those nations that refuse to be blackmailed and about which it can always be said our position is clear. That has not always been the case in the past. I urge and implore that it be the case in the future.

A month after this speech, an incident during the federal by-election in the Quebec riding of Terrebonne reinforced Clark's pro-Israel bias. As Clark's biographer David Humphreys writes,

The local Blues nominated Roger Delorme, a radio hot-liner, who pronounced his pro-Palestinian sentiment against the State of Israel in the presence of Clark himself and dozens of embarrassed Tory dignitaries bused in from Ottawa. The Delorme nomination was to trouble Clark for months to come, even after the elections. Clark is passionately devoted to the idea of the State of Israel... but Clark is also committed to making the Progressive Conservative Party a people's party, open to all. The two commitments clashed. He extracted from Delorme the promise to toe the pro-Israel party line on the Middle-East. (Humphreys, 1977:250-251)

The fact that Clark only castigated Delorme, but did not remove him from the nomination, as Stanfield had done with Leonard Jones in Moncton as a result of the latter's anti-French statements, caused a great stir in the Canadian Jewish community. Several observers have mentioned Clark's wish to make-up for the Delorme debacle as a factor in his April 25 promise *8

* Maureen McTeer, Clark's wife, also experienced guilt over a Delorme related incident. Clark had invited several prominent Jewish leaders to Stornaway in August 1977 to repair the relations that had been strained by the Delorme affair. He explained his refusal to remove Delorme from the nomination on the basis of respecting constituency rights and the rights of diverse opinion in the party. McTeer, in an interjection which she later came to regret, added that if the Conservative Party could tolerate anti-French and anti-feminists, it could tolerate anti-semites.

CHAPTER I - INITIATIVE

Jerusalem and the Canadian Jewish Community

The idea of moving Canada's Embassy from Tel Aviv to Jerusalem as a gesture of support for the people and government of Israel first emerged as a major issue within the Canadian Jewish community during Menachem Begin's state visit to Canada in November 1978. Begin urged the Canada-Israel Committee (CIC), an administrative umbrella organization comprising the Canadian Jewish Congress (CJC), the Canadian Zionist Federation (CZF) and B'nai B'rith, to take action on a number of issues important to Israel including the Arab boycott, non-recognition of the PLO and the transfer of the Canadian Embassy in Israel. The Israeli Prime Minister was particularly anxious to see the CIC mobilize on the Embassy issue because only one month before, in October 1978, Harold Saunders, the United States Assistant Secretary of State for Near Eastern Affairs, had allegedly assured East Jerusalem and West Bank Arab officials that as Israel was withdrawing from the Sinai, so too would it withdraw from other territories captured during the 1967 War as a result of the Camp David negotiations. Consequently, Begin was eager to secure Canadian recognition of Israeli authority over Jerusalem.¹

While it is difficult to discern the precise sources of Clark's pro-Israel sympathies, one is probably his religious background. A devout Roman Catholic, Clark has been influenced on the Middle-East by his early and continued exposure to the Christian faith. Indeed, Clark is not the first Canadian prime minister to be so influenced; L.B. Pearson, referring to his participation in the 1956 Suez Crisis, has written that

I must admit I became automatically involved in a very special way because we were dealing with the Holy Land - the land of my Sunday School lessons. At one stage in my life I knew far more about the geography of Palestine than I did about the geography of Canada....I think that in the back of my mind I felt I was concerning myself with something close to my early life and religious background.

(Pearson, 1973:240)

Another factor which helps explain Clark's pro-Israel bent is his perception of Israel as an island of liberal, western democracy in a sea of autocratic, Soviet manipulated regimes - a sentiment also held by Pearson in 1956. Clark argued in his 1976 CIC speech that

My friends, it is perhaps Israel's fundamental democracy and freedom as a nation which is its most powerful weapon in the international waters of diplomatic turnarounds and defeats....I think that any democrat, any believer in the essential dignity of the human condition and the right of a people to nurture, expand and cultivate a sense of ethnic and cultural pride, any such democrat, must find himself on the side of the State of Israel.

Clark's emotional attachment to Israel was further strengthened during his trip to the Middle-East in January 1979. As most Canadian politicians who make the pilgrimage to the Holy Land in search of votes back home, Clark was greatly impressed by what he saw in Israel. One incident particularly reinforced his pro-Israeli outlook. Even though he did not comply with Begin's wish to promise a transfer of Canada's Embassy in Israel, Clark nevertheless was treated graciously in Tel Aviv and Jerusalem. By contrast, Jordan's King Hussein made Clark and his entourage wait a lengthy time in Amman prior to receiving them, ostensibly to protest that Clark had assigned three days for Israel and only a few hours for Jordan. This seemingly minor affair led both McTeer and Clark to contrast Arab inhospitality with Israeli friendship as they disembarked from their plane back in Ottawa.⁹

Clark's pro-Israel sympathies were shared by his three senior advisors. Bill Neville, Jim Gillies and Lowell Murray had all long been on record as highly pro-Israel. They believed, as did Clark, that Canada had always supported Israel in rhetoric but seldom with concrete measures of assistance. The Embassy transfer was thus viewed by Clark's team as a measure of unequivocal support for the people and government of Israel.¹⁰ There was, of course, a very detailed intellectual argument put forth by Clark's people as to the justice of the transfer. Clark's team insists that the decision to adopt

the Embassy policy per se, as opposed to the timing of its announcement, was based on the merits of the case. In this regard, Clark and his advisors drew heavily on Atkey's highly legalistic argument that Israeli de facto occupation of East Jerusalem and the Old City since 1967 allowed Israel to claim jurisdiction over the whole of the city. Clark really believed that moving Canada's Embassy would simply confirm present day Middle-East reality. His April 25 press release may be taken at face value when it argues that "this foreign policy initiative is only a recognition of the political, administrative, demographic and legal realities of Jerusalem in 1979". The signing of the Camp David Accords further strengthened Atkey's argument in the minds of Clark's people.¹¹ Again, Clark's team really believed, as stated in the April 25 press release, that this event had settled the controversy surrounding Jerusalem and that it therefore "opens the way for Canada to take positive initiatives in the Middle-East".

Clark's team greatly downplayed the potential negative ramifications implied by the new policy. It was argued, rather fallaciously, that the Arab world would not be overly upset because to them, as a place of religious significance, Jerusalem ranked third behind Mecca and Medina, while Jews regarded the Holy City as their premier religious site. Clark's people also dismissed the possibility of domestic

repercussions on the grounds that the policy was intended for a very narrow constituency and that it would not even be noticed, let alone of interest, to Canadians other than those of Jewish faith.

Also decreasing the risk factor of the policy as far as Clark's entourage was concerned was the fact that, at least initially, Clark envisaged a very slow timetable on the Embassy transfer; his advisors considered it at best a four year project. As well, Jerusalem was to be only one of several Conservative initiatives in Middle-East affairs. Another important departure from traditional Canadian Middle-East policy planned by Clark involved moving Canada toward eventual recognition of the PLO by an immediate call for direct Palestinian representation in the Arab-Israeli peace process. This second prong of Conservative Middle-East policy, which never got on track because of the controversy over Jerusalem, was seen by Clark as balancing his initiative on the Embassy.¹²

The particular understanding of the Jerusalem situation shared by Clark and his advisors is highly problematic and in many ways simply incorrect. They totally misread Canadian-Israeli relations by arguing that Canada had paid lip service to Israel but had contributed very little in the way of tangible assistance. In fact, quite the opposite is true. Especially since the 1967 War, Canada had toned down its verbal backing for Israel and stressed "balance" in its statements in international fora while

increasing its behind the scenes support. Equally, Atkey's legal argument on Jerusalem, based on the notion of de facto annexation during war, is extremely contentious and grossly one-sided in favour of Israel. Most disturbing, however, was Clark's and his advisors' misreading of the Camp David Accords. The March signing on the White House lawn, far from settling the status of Jerusalem, had only set the stage for its deliberation along with other fundamental issues such as the future of the West Bank and the Palestinian question. Moreover, most observers of the Camp David negotiations, including many in Israel, were critical of Begin's aggressive demands vis-à-vis these and other questions central to the Middle-East peace process. Given the critical state of Arab-Israeli negotiations in the spring of 1979, Clark could not have found a more inopportune time to announce a transfer of Canada's Embassy from Tel Aviv as a gesture of support for Israel.

These and other points indicating the inopportunistism of Clark's proposed Embassy transfer were made known to Clark's election team by the Conservatives' research bureau and Douglas Roche. On at least three occasions - in briefs submitted to Clark during his Middle-East tour, before his CIC meeting, and before the leaders' television debate towards the end of the election campaign - Clark was warned about the consequences such a policy would have upon Canada's peacekeeping role in the area and Progressive Conservative credibility in

foreign affairs. Moreover, Clark was told bluntly that no discernible Canadian interest would be advanced by moving Canada's Embassy and that Conservative foreign policy ought not to be formulated on the basis of the concerns of a single domestic interest group.¹³

During the election campaign discussion of the merits of the case on Jerusalem became increasingly difficult; electoral concerns came to overshadow intellectual ones. In this regard it is essential to understand that Clark's team knew even before the writ was issued that it had a real horse race on its hands - the Conservatives and Liberals were running neck to neck. With such a close contest, and secure in the knowledge that few if any Progressive Conservative inroads would be made into Quebec, Ontario became fundamental to Tory election strategy. In turn, Toronto was central to Ontario because it contained so many ridings with swing potential. Among these key swing ridings were three with a substantial Jewish vote; Eglinton-Lawrence and Willowdale, where candidates Rob Parker and Bob Jarvis were the incumbent Conservative Members of Parliament, and St. Paul's, where Ron Atkey, the Conservative candidate in 1979, had been the Member of Parliament between 1972 and 1974.

The importance of the "Jewish vote" in Canadian elections is hotly debated among political scientists.

All Conservative (and Liberal) Members of Parliament interviewed by this author, however, believed that the Jewish community is an important factor electorally. John Bosley, the sitting Member for Don Valley West, a Toronto riding with a 20 % Jewish population, told the author that because of its tendency to vote en masse, the Jewish community in his riding wields disproportionate electoral clout. This is especially true, argued Bosley, in a close contest where a shift of a few hundred voters can tip the balance. Similarly, another Toronto Member of Parliament compared the effect of the Jewish vote to the "kingmaker" delegation at a party leadership convention, where a small but cohesive group of delegates assumes great weight when any one of two leadership candidates with roughly equal general support requires only a few extra votes to go over the top. Magnifying the incidence of the Jewish vote, and of the Jewish lobby generally for that matter, is the absence in Canada of any strong domestic Arab counter force.

If Atkey argued the intellectual merits of the Embassy move, Parker attempted to impress Clark with its electoral merits. He had urged his leader to consider making a commitment to the Jewish community on his return from the Middle-East in January and asked Roche to do the same at the time of the CIC meeting in February.¹⁴ During the election he warned that the Liberals, who were experiencing trouble

with the Jewish community over Jack Horner's negative comments on the anti-boycott Bill, were about to announce their own Embassy policy. Parker's decisive pitch was made at a breakfast on April 25, just before Clark's meeting with the CIC, at which it was decided to announce publicly a Conservative policy favouring the transfer of Canada's Embassy in Israel.¹⁵

Throughout the deliberations on timing, Parker insisted that a positive policy on the Embassy would deliver to the Conservatives the Jewish vote. He argued that the Jewish community, given its historical homogeneity on issues relating to Israel, would sever its traditional alliance with the Liberals and gratefully fall in behind the Conservatives en bloc. Whether or not this did happen on May 22, or whether there even is such a thing as a "single issue" Jewish vote, what is important is that, in the minds of Clark and his advisors, such an electoral phenomenon did exist and they acted accordingly. In fact, Toronto Tories attribute the substantial increase in the Jewish Conservative vote in 1979, compared with previous elections, to the mortgage deductibility scheme and not to the Embassy promise. Thus, while there was a Conservative promise which attracted Jewish voters, it was not the Embassy pledge; in so far as there was a solid Jewish vote in 1979, it was based more on socio-economic interests than on ethnic loyalty.¹⁶

The deliberations undertaken by Clark, Neville, Gillies and Murray on both the intellectual and electoral merits of the Embassy issue betray sloppy, non-vigilant decision-making.¹⁷ They viewed Jerusalem only from the Israeli side and limited discussion amongst themselves to a single course of action. Obvious risks and drawbacks emanating from Arab reaction were constantly underestimated and often altogether ignored as Clark's team expressed selective bias in its gathering and processing of information related to Jerusalem. Finally, internal censorship was exercised against conflicting positions put forward by Roche and the Conservative research bureau. Indicative of the poor Conservative decision-making surrounding Jerusalem is the seemingly incredible fact that during the period between Clark's return from the Middle-East in January and the April 25 announcement, not a single Arab spokesman - either from the domestic Arab community or the Arab diplomatic corps in Ottawa - was consulted on the proposed transfer.¹⁸

Another factor in the Conservatives' April 25 decision-making calculus involved the use of the Jerusalem issue to put policy distance between themselves and the Liberal Party. Having been accused on repeated occasions of "me-too-ism", Clark saw in the Embassy issue an opportunity for the challenging Tories to differentiate themselves from the status quo Liberals.

After the election the Embassy issue took on added significance. During the transition period Clark was in Jasper attending to such pressing business as drawing up a cabinet and reading government briefing papers. One document, drafted jointly by External Affairs and the Privy Council Office, concerned Jerusalem; it warned the Prime Minister-elect not to proceed with his election promise. This warning went unheeded, partly because Clark intended that the new Conservative government use Jerusalem to impose itself upon what he perceived to be a Liberal bureaucracy. Acting on the assumption that Diefenbaker's failure was in large part attributable to a highly recalcitrant mandarin, Clark wanted very early in the Thirty-first Parliament to establish effective political authority over the top personnel in the civil service.

To illustrate Clark's use of Jerusalem to initiate the new Conservative era, it is worth citing the whole question and answer on the issue from his first prime ministerial press conference of June 5;

Q: Prime Minister, could you give us a time frame on how long it is going to take you to move the Embassy from Tel Aviv to Jerusalem? Do you anticipate one year, six months, three months?

A: I cannot really give you a time frame at the moment. We certainly intend to do that. And Miss MacDonald will be indicating to officials at External Affairs that we will be expecting from them recommendations

fairly directly as to how it can be accomplished and what other policies will be necessary to make that goal realizable. I say that simply to indicate that the position she and other ministers will be taking in relation to matters that have been part of party policy in the election campaign will be to indicate that these questions are now beyond discussion as to their appropriateness and that what we will be seeking from the public service will be indications as to how we accomplish what we have undertaken to do. I cannot give you a time frame at this moment.

In reply to an innocuous question, Clark launched into a lengthy speech about the new relationship he envisioned between cabinet and the bureaucracy. Particularly important was the tonal quality of Clark's answer which was extremely earnest and defiant.

Further evidence of the bureaucratic imperative underlying Clark's June 5 announcement may be seen in the fact that Clark phoned a close friend that evening to ask "Do you think they got the message?" In other words, did the officials at External Affairs and throughout the Ottawa civil service understand that they had a new boss? This was also the interpretation of Clark's June 5 statement by most observers. In particular, the French language press, in three editorials by Michel Roy, Jean Pellerin and Paul Lachance, of Le Devoir, La Presse and Le Soleil respectively, questioned the new prime minister's tactic for soliciting respect and cooperation from Ottawa's civil service.

In concluding this chapter it is necessary to indicate that while for the purposes of elaboration the intellectual, electoral and bureaucratic factors involved in Clark's initiative have been discussed separately, they must of course be understood as acting together as an ensemble, each contributing to the other in a cumulative manner. Thus Clark's use of Jerusalem to differentiate Conservatives from Liberals, and to impose a Tory government upon official Ottawa, was underpinned both by the prospect of short term electoral gain as well as the pervasive pro-Israel sympathies of Clark and his senior advisors.

Notes

1. H. Adelman, "Clark and the Canadian Embassy in Israel",
Middle East Focus March 1980
2. Globe and Mail February 15, 1979
3. From interviews with Conservative Party officials and
members of the Jewish community.
4. Adelman, March 1980
5. Adelman, March 1980
6. From interviews with Conservative Party officials.
7. Globe and Mail January 16, 1979
8. From interviews with two of Clark's personal friends,
members of the Jewish community and officials of the
Conservative Party.
9. From interviews with a close personal friend of Clark.
10. From interviews with Conservative Party officials.
11. *ibid.*
12. *ibid.*
13. From interviews with Conservative Party Research staff.
14. *ibid.*
15. From interviews with Conservative Party officials.
16. From interviews with Toronto area Conservative and Liberal
Members of Parliament.

17. I. Janis and L. Mann, Decision-Making, 1977
see also I. Janis, Victims of Groupthink, 1972
- 18. From interviews with Conservative Party officials.

While it is difficult to discern the precise sources of Clark's pro-Israel sympathies, one is probably his religious background. A devout Roman Catholic, Clark has been influenced on the Middle-East by his early and continued exposure to the Christian faith. Indeed, Clark is not the first Canadian prime minister to be so influenced; L.B. Pearson, referring to his participation in the 1956 Suez Crisis, has written that

I must admit I became automatically involved in a very special way because we were dealing with the Holy Land - the land of my Sunday School lessons. At one stage in my life I knew far more about the geography of Palestine than I did about the geography of Canada....I think that in the back of my mind I felt I was concerning myself with something close to my early life and religious background.

(Pearson, 1973:240)

Another factor which helps explain Clark's pro-Israel bent is his perception of Israel as an island of liberal, western democracy in a sea of autocratic, Soviet manipulated regimes - a sentiment also held by Pearson in 1956. Clark argued in his 1976 CIC speech that

My friends, it is perhaps Israel's fundamental democracy and freedom as a nation which is its most powerful weapon in the international waters of diplomatic turnarounds and defeats....I think that any democrat, any believer in the essential dignity of the human condition and the right of a people to nurture, expand and cultivate a sense of ethnic and cultural pride, any such democrat, must find himself on the side of the State of Israel.

CHAPTER II - CONFLICT

Arab Reaction

Canada's Arab community was quick to respond to Clark's April 25 election pledge. The Arab Palestine Association (APA), an organization comprised of some five thousand Canadians of Arab descent, sent a strongly worded telegram to the Tory leader the day after his Toronto announcement.¹ The APA's note warned Clark that his promise on Jerusalem, if carried out, would prove to be detrimental to Canadian economic interests in the Middle-East. The Arab News of Toronto echoed the APA's warning, stating that the Conservatives' new Middle-East policy challenged Arab sensitivities. Montreal's Arab Journal asked Clark to reconsider his promise. Both papers also made clear their intention to watch the Conservatives "through a magnifying glass" so as to monitor further developments on the Embassy issue.

The Arab world also wasted little time in reacting to Clark's April 25 announcement. In Ottawa, the Arab League Information Office issued a press release which stated that

1. The announcement of Mr. Clark does not contribute to the establishment of the desired just and durable peace in the Middle-East.
2. It contradicts and violates the basic principles of the United Nations Charter,

the United Nations' Resolutions pertinent to Jerusalem and the Principles of Human Rights.

3. It is of a nature that will affect the good relations existing between Canada and the Arab world.

On the occasion of the May 10 Arab states conference in Fez, the Trudeau government sent a diplomatic note to each country's representative in Ottawa affirming Canada's traditional policy on Jerusalem, namely that the city's status could not be determined unilaterally. Nevertheless, King Hassan of Morocco sponsored a resolution at Fez, seconded by Suadi Arabia, aimed clearly at Canada which called for the imposition of diplomatic and economic sanctions against any country that moves its Embassy to Jerusalem.²

Arab reaction to Clark's June 5 statement was even more vehement inasmuch as it was now a prime minister, rather than a leader of the opposition, who was talking. Iraq took a very hard line by threatening disruption of economic and diplomatic relations and calling for the institution of the Fez Conference resolution that "les pays membres de la conférence des pays islamiques cesseront toute relations avec les pays qui transferont leur ambassade a Jérusalem"³. Most livid in its response was the PLO, which condemned Clark's June 5 announcement as an "act of aggression".

A more moderate approach was taken by the Council of

Arab Ambassadors in Ottawa which met on June 6 in emergency session to coordinate the official Arab response to Clark's initiative. In a rather low key statement, the group's spokesman, Moroccan Ambassador Norreddine Hasnaoui, maintained "qu'il n'y aura pas de représailles tant qu'il n'y aura pas du déménagement de l'ambassade du Canada a Jerusalem".⁴ One telling response to Clark's press conference remarks came from Egypt's representative in Canada, Hassan Fahmy. Interviewed by the CBC on the morning of June 6, Ambassador Fahmy stated that on the question of Jerusalem Egypt was going to remain firmly in the Arab camp. Only a few months before Egypt had been ostracized by the international Arab community for having signed the Camp David Accords. With his announcement on Jerusalem, Clark contributed to a rather rare occurrence - unity within the Arab world.

Surprisingly, Jewish reaction to the June 5 initiative was extremely divided. Israeli Prime Minister Begin heard of Clark's promise while attending a conference of the Herut Party and exclaimed that after Canada's bold venture it would be the turn of the United States and other western countries to follow suit.⁵ Jerusalem Mayor Teddy Kollek expressed his appreciation (and surprise), as did most of the Israeli press. In Canada, the Jewish community, especially in Montreal, was rather cautious in its approval of the initiative but warned Clark publicly that it expected action

on his electoral and press conference announcements.⁶

On June 8, at the request of the Council of Arab Ambassadors, External Affairs Minister Flora MacDonald met with the representatives of Morocco, Algeria, Iran, Tunisia, Jordan, Saudi Arabia, Lebanon, Somalia and the Sudan. In the week following this meeting a spokesman for the Arab League Information Office in Ottawa publicly suggested that Canada send a goodwill mission to the Middle-East, preferably comprised of government officials of ministerial rank.⁷ On June 16 the Arab Inter-Parliamentary Union called upon Clark to annul its decision of June 5, as did the Islamic Conference meeting in Rabat. It was also at this time that a federal-provincial dimension to the Embassy issue came to light. The French Canadian press reported an alleged Arab-Quebec understanding whereby Quebec City would not recognize the federal government's transfer of its Embassy to Jerusalem if in turn the Arabs would support Quebec's aspirations for independence.

Canadian-Arab relations were further strained by remarks made by Employment and Immigration Minister Ron Atkey during his appearance on CTV's June 17 "Question Period". Arguing that "the same sort of threats were made by Arab Ambassadors to Ontario business - that all sorts of things would be cut off", and "that Ontario went ahead as a matter of principle and enacted the anti-boycott law and the threats never materialized", Atkey concluded that the "Arabs' bark is worse than their bite", and that "if they want to buy

Canadian goods they will." The Arabs interpreted the reference to barking dogs as particularly degrading, inasmuch as the dog is considered a lowly creature in Arab culture. In response to Atkey's comments, Yaser Arafat threatened that "our Arab nations must teach the Canadian scoundrels a lesson that would ensure the protection of our dignity, rights and lands". In Ottawa, the nine Arab Ambassadors met once again, and their spokesman met once more with Miss MacDonald. Several days later, on June 22, in an unprecedented series of meetings, Prime Minister Clark received the Arab as well as Egyptian and Israeli Ambassadors. The next day, several hours before his departure for his first international summit in Tokyo, Clark announced what became known as the "Stanfield mission".⁸

The appointment of Robert Stanfield as Special Representative of Canada and Ambassador-at-large did not altogether silence Arab reaction. On June 26 Egyptian President Sadat, in his first public statement on the issue, accused Prime Minister Clark of undermining the Middle-East peace process. Sadat, in an exclusive interview with Gerald Clark, argued that he had remained silent for several weeks so as not to aggravate the situation and hoped that his present intervention would change Canadian policy. He ended his interview stating that Canada ought to take Arab threats of economic and diplomatic sanctions seriously.

The next day, June 27, the Arab foreign ministers'

Canadian goods they will." The Arabs interpreted the reference to barking dogs as particularly degrading, inasmuch as the dog is considered a lowly creature in Arab culture. In response to Atkey's comments, Yaser Arafat threatened that "our Arab nations must teach the Canadian scoundrels a lesson that would ensure the protection of our dignity, rights and lands". In Ottawa, the nine Arab Ambassadors met once again, and their spokesman met once more with Miss MacDonald. Several days later, on June 22, in an unprecedented series of meetings, Prime Minister Clark received the Arab as well as Egyptian and Israeli Ambassadors. The next day, several hours before his departure for his first international summit in Tokyo, Clark announced what became known as the "Stanfield mission".⁸

The appointment of Robert Stanfield as Special Representative of Canada and Ambassador-at-large did not altogether silence Arab reaction. On June 26 Egyptian President Sadat, in his first public statement on the issue, accused Prime Minister Clark of undermining the Middle-East peace process. Sadat, in an exclusive interview with Gerald Clark, argued that he had remained silent for several weeks so as not to aggravate the situation and hoped that his present intervention would change Canadian policy. He ended his interview stating that Canada ought to take Arab threats of economic and diplomatic sanctions seriously.

The next day, June 27, the Arab foreign ministers'

meeting in Tunis reiterated the by now familiar line, that carrying out the Embassy promise would prompt severe and immediate retaliation against Canada. As if to back up this warning, several Arab labour unions in Middle-East port cities threatened to boycott Canadian cargo if Canada moved its Embassy from Tel Aviv. In September 1979, Pakistan introduced on behalf of the Arab participants a resolution at the Conference of the Non-Aligned states in Havana condemning any country (read Canada) which moved its Embassy in Israel from Tel Aviv to Jerusalem.

In addition to the verbal barrage directed at the Conservative government during the summer of 1979, three concrete measures were taken by the Arab world against Canada as a result of Clark's Jerusalem initiative. The first was the Arab Monetary Fund (AMF) decision to suspend dealings with Canadian financial institutions. The second was the Iraqi oil embargo imposed against Canada. The third involved the cancellation of some Canadian contracts by Middle-East buyers.

Ottawa's initial reaction to the June 18 announcement by the AMF that it had ceased dealing with Canada was to send Industry, Trade and Commerce (ITC) and External Affairs officials scurrying to their textbooks to find out what the AMF was.⁹ They discovered that it was founded in 1977 to help Arab League nations with balance of payments problems and to

meeting in Tunis reiterated the by now familiar line, that carrying out the Embassy promise would prompt severe and immediate retaliation against Canada. As if to back up this warning, several Arab labour unions in Middle-East port cities threatened to boycott Canadian cargo if Canada moved its Embassy from Tel Aviv. In September 1979, Pakistan introduced on behalf of the Arab participants a resolution at the Conference of the Non-Aligned states in Havana condemning any country (read Canada) which moved its Embassy in Israel from Tel Aviv to Jerusalem.

In addition to the verbal barrage directed at the Conservative government during the summer of 1979, three concrete measures were taken by the Arab world against Canada as a result of Clark's Jerusalem initiative. The first was the Arab Monetary Fund (AMF) decision to suspend dealings with Canadian financial institutions. The second was the Iraqi oil embargo imposed against Canada. The third involved the cancellation of some Canadian contracts by Middle-East buyers.

Ottawa's initial reaction to the June 18 announcement by the AMF that it had ceased dealing with Canada was to send Industry, Trade and Commerce (ITC) and External Affairs officials scurrying to their textbooks to find out what the AMF was.⁹ They discovered that it was founded in 1977 to help Arab League nations with balance of payments problems and to

channel surplus oil revenues into development projects in the Middle-East and elsewhere; it was a regional development bank with about US\$ 1 billion in capital, of which US\$ 100 million was set aside for investment in Europe, Japan and North America. Of this, some C\$ 20 million had been invested in Canada, but was believed to have been withdrawn at the end of 1978. Consequently, apart from contributing to a modest decline in the value of the Canadian dollar (from US cents 85.52 to 85.02), the AMF announcement was not all that damaging in and of itself.

The second Arab sanction was even fuzzier than the AMF action. At the end of June a tanker carrying Iraqi crude was ordered by Baghdad not to unload its shipment at Portland, Maine, the tidewater terminus of the oil pipeline that brings off shore crude to Montreal refineries. After some discreet enquiries and adept negotiation, External Affairs managed to get the tanker to port and its shipment unloaded. Canadian officials, however, could not confirm the existence of an Iraqi oil embargo. The situation was complicated by the fact that all Iraqi oil is marketed through a government agency, and while the Iraqi government and national oil company are closely linked, the distinction between the two allowed the Iraqi government to disclaim any embargo. It was not until April 1980 that Iraq's oil minister, Tayeh Abdul-karim, admitted that an embargo had been

in place since the middle of June, 1979. The net effect of the Iraqi oil embargo was that Petrofina, the only Canadian oil company heavily dependent on Iraqi supplies, had to procure crude from other sources, mainly Iran, at a higher price (US\$ 23.50 a barrel v.s 21.96) and absorb the extra cost.

The third action by Arab countries against Canada was the cancellation of several million dollars worth of export contracts. While trade disruption had been assumed as early as June, it was not until the Minister of State for International Trade, Michael Wilson, in response to intense questioning in Parliament in October, declared that C\$ 4.5 million in contracts had been cancelled. This figure comprised a \$ 4.2 million lumber sale and a \$ 350,000 poultry contract, both to Iraq, and a student exchange with Saudi Arabia valued at \$ 60,000.

While these three cases of Arab sanctions were unimportant in themselves, their significance was not lost on Ottawa's foreign policy bureaucracy. In each case ITC and External Affairs officials argued the "straw in the wind effect"; that is, these mini-sanctions were perceived to be only the tip of the iceberg, samples, as it were, of bigger things to come. For example, what worried Ottawa officials and Canadian bankers most about the AMF announcement was that Kuwait, and especially Saudi Arabia, were shareholders in the AMF. If these two countries were to follow the AMF's

lead, then serious economic damage to Canada would indeed result. Similarly, the Iraqi oil embargo and the loss of contracts assumed an importance out of all proportion to their actual impact on the Canadian economy. To appreciate fully the impact registered by Arab threats and sanctions, it is necessary to analyse the economic power relationship between Canada and the Arab world at the time of Clark's Jerusalem initiative. In doing so, the following analysis will rely upon the work of Klaus Knorr, a highly perceptive theorist of the dynamics of national and international economic power.

Explaining Arab Effectiveness

Two of Knorr's works are particularly germane to understanding the economic power relationship between Canada and the Arab world; The Power of Nations (1975), and a more recent volume co-edited with Frank Trager, Economic Issues and National Security (1979). In a chapter entitled "International Economic Leverage and Its Uses" in this latter volume, Knorr maintains that

The ability to effect economic coercion arises from an economic interdependence between two actors....Power arises from asymmetrical interdependence. It does not matter whether the coercing actor uses the carrot or the stick. In either case, he threatens or actually withholds something of value. (Knorr, 1979:102)

More specifically, Knorr contends in his 1975 work that a nation's economic power rests upon four bases; (1) economic strength, (2) the will to use this strength, (3) the skill to apply this strength and (4) the international reputation of using economic strength for exercising power. (p. 83-84)

With regard to economic strength, Knorr argues that

a state would be structurally equipped with an ideal base for exercising economic power if (1) it exported things in urgent demand abroad while importing things regarding which its own demand was highly elastic and (2) if it held monopoly control over the supply of things demanded by foreign importing countries and monopsony control over the goods foreign countries have to export....in other words, the less the outside world can do without its exports, without its domestic market, and without its capital, the greater a nation's strength will be. (Knorr, 1975:85)

That is, structurally speaking, what is central to economic strength is control over supply and intensity of demand. The greater degree of control exercised by A over the supply of something B values, the greater will be A's ability to damage B by means of denial. Similarly, B must have a strong need for that which A can withhold for A to exercise effective economic leverage. Accordingly, commodity substitution and substitution among trading partners tends to affect the economic strength calculus between two nations. In this regard, Knorr contends that only goods whose production requires innovational leadership at the technological frontier,

(e.g. computers) and certain scarce natural resources (e.g. petroleum) lack easy substitutability.

A much touted recent example of structural conditions conducive to the exercise of economic power was the Organization of Arab Petroleum Exporting Countries' (OAPEC) 1973 use of the so called oil weapon. On the supply side, a coalition of Arab states enjoyed a high degree of control over production and were united in taking collective action. On the demand side, throughout the 1970s Western Europe, Japan and the United States have experienced a highly inelastic appetite for oil with few readily available substitutes of either commodity or source of supply. In effect, a radically new relationship developed since the late 1960s with the international oil situation turning from a buyer's to a seller's market. This was not the case in three previous oil disruptions, between 1951-1953, when Iranian oil was affected and during the 1956 and 1967 Middle-East crises. Indeed, in these cases the ability of the multinational oil companies to draw on alternative sources of supply led to the oil policy axiom of the 1950s and 1960s that during oil boycotts it is the producing rather than consuming states which suffer.

In light of Knorr's assessment of national economic strength, Canada's structural weakness vis-à-vis the Arabs becomes patently clear. With reference to oil, during 1979 Arab crude accounted for 30 % of Canadian imports and 14 %

of total Canadian supply, or 250,000 barrels a day out of a total Canadian demand of 1.8 million barrels a day. Substitutibility, both in commodity and source of supply, was extremely limited inasmuch as oil is vital to the Canadian economy*, and the crude production of Canada's other major suppliers, especially Venezuela, was completely allocated. Furthermore, Canada would have had little success in attempting to draw on the International Energy Agency for assistance because the Jerusalem Affair was solely of Canada's doing and Ottawa received precious little in the way of sympathy from other western capitals. Indeed, it was in light of these facts that Energy Minister Ray Hnatyshyn ordered the petroleum utilization group of his department's emergency program section to prepare a special study of a potentially severe oil shortage arising from an Arab oil embargo.

Another source of structural weakness was the C\$ 4.5 billion of Arab investment capital in Canada, held in treasury bills and marketable bonds (\$ 700 million), private placements (\$ 850 million), equities (\$ 400 million) and bank deposits (\$ 2.55 billion). While this C\$ 4.5

*"The true measure of our dependency on oil is not what we have to give up in order to get it, but rather what we would have to give up in order to go without it."

(Baldwin, 1979:176)

billion accounts for a little more than 4 % of the Arabs' US\$ 100 billion capital pool, a massive dumping of Canadian currency by Arab holders, primarily Saudi Arabia, Kuwait and the United Arab Emirates, would have depressed the Canadian dollar by at least three cents, and perhaps by as much as seven cents, in relation to, the American dollar. (Financial Post, June 30, 1979)

Finally, since the early 1970s the Middle-East and North Africa had become an important market for Canadian goods, especially in manufactures which comprised about 97 % compared with 2 % in the case of Japan. In 1979 Canada sold roughly \$ 800 million in goods, and \$ 500 million in services, to the Middle-East. While this represented less than 3 % of Canada's total exports, ITC officials as well as many businessmen believed the Arab states of the Middle-East and North Africa comprised the single most promising growth market for future Canadian exports.

Canada's economic relationship with the Arab world, based as it is upon a rather inelastic demand for petroleum and investment capital and a desire to acquire a larger share of the lucrative Arab market, is extremely vulnerable. The Arabs could easily sell the oil they presently export to Canada to many other buyers and could just as easily place their petro-wealth in portfolios outside of Canada. Similarly, given the highly competitive nature of the Middle-East domestic

market for industrial and consumer goods, and engineering and other services, the Arabs could obtain whatever Canada sells them from Japan, Europe or the United States without great inconvenience. There is, for example, very little technology unique to Canada that the Arabs could not forego. Thus, while Canada considers its economic ties with the Arab world very important, the inverse is not true. As one ITC official put it, "the Arabs could cut us off tomorrow both in terms of imports and exports, and not so much as feel a tickle in the nose".¹⁰

The structural advantage enjoyed by the Arabs in their economic relationship with Canada was enhanced during the conflict over Jerusalem by several non-economic factors. Knorr maintains that "will" contributes to a state's economic power and argues that the following traits tend to bolster a nation's will to engage in the active exercise of economic power:

- (1) the predisposition to favour an aggressive use of national power vis-à-vis foreign countries that act to frustrate the pursuit of 'national interests';
- (2) the degree of national solidarity that governments can appeal to in the exercise or build-up of economic power;
- (3) the disposition to follow the lead of the government in matters of foreign policy, including foreign economic policy;
- and (4) the support of special interest groups expecting sectional benefits from the augmentation of economic power. Against such support, of course,

is the opposition of special interest groups expecting to lose by economic power plays.
(Knorr, 1975:83)

In each of the aforementioned categories relating to will, the Arabs clearly enjoyed a position superior to Canada by virtue of the fact that the Jerusalem issue had for them enormous religious and political significance. This is borne out by the uncharacteristic display of Arab unity following Clark's June 5 announcement. There was massive popular solidarity, both within individual Arab nations and among the various Arab states, in support of resistance to what was perceived as a major threat to the Arab community.

By contrast, the Embassy issue was extremely divisive in Canada. Apart from the obvious rift between domestic Jewish and Arab groups, and the business community's vehement reaction to the Clark initiative, it is telling that even within the Jewish community opinion was divided as to the appropriateness, and especially the timing, of Clark's Jerusalem promise. Moreover, there was a decided lack of general societal support for the transfer, as registered in a Gallup poll taken during the summer of 1979 which indicated a paltry 15 % of the respondents in favour of the Embassy and an overwhelming 70 % opposed. (Toronto Daily Star, August 18, 1979)

In addition to will, Knorr contends that skill in exploiting an international situation is also important in the pursuit of economic coercion. In this regard the Arabs handled the Embassy issue in an expert manner. To begin with, they were extremely well informed about what was happening in Canada, while the inverse was not at all true. For example, the Saudi Arabian Ambassador in Ottawa heard of Atkey's "Arabs' bark is worse than their bite" remarks by shortwave radio from Riyadh a short two hours after the comment was made - several hours before the incident made the Canadian wire services. Similarly, Arab capitals received updated reports from Ottawa on the Embassy issue every two hours during the month of June.¹¹

On the diplomatic front, the Arabs realized very quickly the mileage to be made from Clark's Embassy promise and wasted little time in taking the offensive to make Canada an example through the flexing of Arab economic muscle. However, the threats and blandishments made by some Arab countries (e.g. Iraq), were tempered by more moderate positions expressed by others (e.g. Tunisia). Thus, a division of diplomatic labour, as it were, emerged whereby the Arabs were able to make known their intense degree of concern while keeping channels open for negotiation and conciliation:

The Clark government, on the other hand, having greatly underestimated the intensity of Arab reaction, was forced from the beginning to fight a rearguard action. The Prime Minister's own inexperience in foreign affairs, coupled with the Conservative government's inexperience in exercising power, added to the defensive posture taken by Clark in dealing with the Arabs. Jerusalem was a harsh introduction to the realities of international power politics for which the Tory leader and his new cabinet were clearly ill-prepared.

Finally, as Knorr also notes, a state's economic power is enhanced by a national reputation for willingness to use such power. Here once again the Arabs had the upper hand inasmuch as they had made use of the oil weapon in 1973 against the United States and the Netherlands. Canada, by contrast, had generally opposed the use of economic leverage as a continuation of policy by other means, and had only rarely resorted to it (e.g. Rhodesia). It seemed most unlikely to do so over the Embassy issue because its structural and other weaknesses vis-à-vis the Arab world were so great and obvious. While Canada might have resorted to economic retaliation had the Arabs taken more severe sanctions, it would have done so more out of pride than out of any expectation of winning an economic war waged with the Arab world.

Notes

1. Globe and Mail April 27, 1979
2. Le Devoir May 12, 1979
3. ibid, June 7, 1979
4. ibid, June 8, 1979
5. La Presse June 6, 1979
6. Toronto Daily Star June 9, 1979
7. From interviews with Arab diplomats.
8. see below, p. 82
9. From interviews with Canadian foreign policy officials.
10. From interviews with ITC officials.
11. From interview with Arab diplomat.

CHAPTER III - CONSTRAINT

Domestic Reaction

Spirited negative reaction to the Conservative Embassy initiative was not confined to the Arab world. Within Canada, the boisterous reception afforded Clark's Jerusalem promise is reminiscent of Canadian reaction to the 1956 Suez Crisis, which one author describes in the following manner;

It is not often in Canada that one hears foreign policy talked about on street corners and in lobbies of hotels.... Churchmen preached sermons on the issue; university students debated and passed resolutions; trade union councils were aroused to petitioning pitch....An avalanche of mail fell upon editorial desks and into the offices of Members of Parliament. (Eayrs, 1959:182-183)

Emphasizing the moral argument against the Conservatives' Embassy pledge, the Canadian Council of Churches (CCC) sent a letter to Clark on June 8 informing him of Canada's long standing opposition to any unilateral alteration in the status of Jerusalem. Donald Anderson, general secretary of the CCC, reiterated in this letter his organization's call for a unified city under international jurisdiction. On June 19 the United Nations Association of Canada (UNAC), contrary to its normal practice, passed a resolution at its annual meeting which urged Clark to reverse his policy. It stated that Canada's Middle-East

position should respect that of the United Nations, especially with regard to the non-recognition of Israeli jurisdiction over territories occupied during the 1967 War. George Ignatieff, Canada's Ambassador to the United Nations from 1965 to 1968 and president of UNAC, stated that Clark's unilateral decision would prejudice the negotiation of a comprehensive peace settlement in the Middle-East and urged Clark to refrain from any action that would call into question Canadian neutrality in the Middle-East dispute.¹

Several prominent academics also went on record in opposition to the Conservatives' new Middle-East policy, as did Jacques Rastoul, executive director of the Canadian Institute of International Affairs, who lamented the damage Clark's initiative had inflicted upon Canada's international reputation. Paul Noble, chairman of the Middle-East studies program at McGill, in a lengthy piece which appeared in a Montreal daily, argued against Clark's Embassy promise on the grounds that it would confirm the worst fears of Arab governments about the probable consequences of President Sadat's peace initiative and would further weaken the position of Arab moderates. As well, Noble believed that Canada's action would strengthen the position of the hawks in Israel who could argue that no matter how expansionist Israeli policies become, western governments will still support her. (Montreal Gazette, June 19, 1979) Robert Spencer, the director of the Centre for

International Studies at the University of Toronto, warned that Clark's initiative was an open invitation for terrorist attacks on Canadian nationals and missions in the Middle-East. John Holmes, also a professor at the University of Toronto and one of Canada's premier diplomats of the post war era, pointed out that with the sole exception of the Begin government, the whole of the international community disapproved of Clark's policy on Jerusalem.

Two Carleton University professors also made public their objections to Clark's initiative. In a letter to the Ottawa Citizen, Peyton Lyon expressed grave concern about the Conservatives' first foreign policy thrust and urged Clark to modify Canada's position so that Ottawa's reputation for consistency and common sense could be rebuilt. John Sigler, director of the Paterson School of International Affairs, warned that the Arabs would rather have a middle-power such as Canada take such an initiative than the United States, France or Britain. Accordingly, Sigler believed that for Canada to take a lead in this area was entirely inappropriate and counter productive inasmuch as Canada risked falling into an Arab trap.² Sigler concluded that the whole Embassy Affair was a gross miscalculation and reflected a lack of understanding of the Third World and some of its more prosperous members by Clark and his advisors. All these academics objected to Clark's

promise less because of the economic price Canada might have to pay than because it would mean departing from responsible international citizenship in Canada's Middle-East diplomacy.

The press covered the Embassy Affair from the time of Clark's April 25 election announcement. Geoffrey Stevens' highly influential Globe and Mail column labelled the promise "absurd".³ Equally negative was a Le Devoir editorial by Lise Bissonette which argued that

Ainsi pour gagner quelques vote dans une region indécise, M. Clark engage toute la politique canadienne au Moyen-Orient....La déclaration de M. Clark, sans ses airs anodins et circonstanciels, pose à nouveau la question de sa stature, à partir des inquiétudes les plus implistes: connaît-il quelques chose au politique internationale, est-il capables de mesure la portée de ses prises de position, saura-t-il assumer et conserver le réputation au Canada à l'étranger ? Le sceptisme est permis.
(April 27, 1979)

Initial press comment following Clark's June 5 press conference was cautious. In an editorial entitled simply "Clark and Jerusalem", the Montreal Star warned of the consequences of the Conservative initiative for peace in the Middle-East, but argued that prudent handling of the issue would avoid the necessity for a policy reversal. Similarly, the Montreal Gazette, in its June 6 editorial "Good friends should be tactful", argued that "if properly handled, the change will not make much of a difference to anybody", and, that "if we move our Embassy, we should make it clear that this does not represent an endorsement of every

aspect of current Israeli policy". The most wary observation came from Stevens' June 7 column entitled "Watch Out", which enumerated the manifold risks inherent in Clark's Jerusalem initiative.

By June 8, with front page headlines screaming "Arabs threaten economic 'war' against Canada" (Ottawa Journal) and "Arabs reply could cost 55,700 jobs" (Montreal Star), most editorial pages had turned against Clark's initiative. A Toronto Daily Star editorial entitled "A bad foreign policy move" was indicative of newspaper sentiment in that it implored Ottawa to give up the promise as contrary to Canada's peacekeeping commitment and its economic ties with the Arab world. This editorial urged a quick reversal so that it would not look as if Canada was giving in to Arab pressure. Clark's initiative was lambasted by Jean-Claude Leclerc in a Le Devoir editorial entitled "Une Erreur Capitale"; he questioned the motives behind Clark's policy and warned of the negative ramifications it would have on the Middle-East peace process. Leclerc also called on Clark to recognize the rights of the Palestinians. The Globe and Mail, arguing from a pro-Israeli perspective, also urged Clark to go back on his promise because of the detrimental effect it would have on Israel's security in the longer term.

When Arab pressure began to make itself felt, however, many Canadian newspapers, while maintaining the view that the

Conservatives' Embassy policy was improper, argued against giving in to Arab blackmail. In two editorials ("Stand up to Arabs" and "Tell the Arabs where to go"), the Toronto Daily Star argued that "while the decision to make the move was wrong headed to start with....what cannot be tolerated is the "brazen effort mounted by the Arab lobby and its allies to intimidate the new government". In effect, the Toronto Daily Star attempted to transform the Jerusalem issue into one of Canadian sovereignty by arguing that the Affair

has now spawned a new problem....It involves the carefully planned and well orchestrated campaign by the Arab states....It is offensive and impermissible to have them engage in a campaign of blackmail. Unless Clark and Flora MacDonald rebuff the offenders now, before they have gone too far, the new government will lose its credibility and Canada its stature. (June 23, 1979)

Liberal Party reaction to Clark's April 25 promise was predictable. During a question and answer session at the predominantly Jewish Forest Hill High School in Toronto, Prime Minister Trudeau responded to an enquiry on Jerusalem by accusing Clark of being either naive, irresponsible or both. Trudeau went on to say that he had told Prime Minister Begin in November 1978 "Don't ask me to get involved on your side if that will mean the Arabs will break off talks and we'll be involved in another thirty years of war." The Embassy issue also came up during the leaders' debate on television,

where Trudeau again accused Clark of misunderstanding the situation in the Middle-East and of risking Canadian credibility in the region. Clark replied that he did not anticipate much Arab reaction to a transfer of Canada's Embassy in Israel. Immediately following Clark's June 5 press conference, several Liberal Members of Parliament, including Louis Duclos, former Parliamentary Secretary to External Affairs Minister MacEachen, and Pierre de Bané (Matapedia-Matane), also criticized the Tory position on Jerusalem.

The Liberals made the Jerusalem Embassy Affair a major preoccupation of the Thirty-first Parliament. On the second day of the new session, Trudeau, in the opposition leader's address, castigated Clark for his incompetence in handling the question. He ridiculed the Prime Minister's disdainful attitude toward the civil service and its advice and condemned the new Conservative government for catering to a small segment of the Canadian public in the formulation of its foreign policy. Trudeau also contended that Clark's inept handling of the Embassy Affair had so muddled Canada - Middle-East waters that the chances of Parliament passing any anti-boycott legislation were all but destroyed. He labelled the Stanfield mission "one of the most painful sights in the political annals of this country", in that Stanfield was a "scapegoat"

dragging himself miserably from one capital to another, supposedly to win time for the Prime

Minister when in fact he is only gathering contempt for a government which is inexorably lurching toward a reversal of position all the more humiliating that it will have been delayed so long. (Hansard, Oct. 10, 1979:32)

Two days later, on October 12, Allan MacEachen led off in question period with an attack on Tory Middle-East policy by asking Secretary of State for External Affairs MacDonald if "she has been able to reverse the misguided policy of the Prime Minister". Marcel Prud'homme (Saint Denis) asked a supplementary concerning the status of Stanfield and his terms of reference, and if Cabinet had agreed to allow Canada's Special Representative to meet with the PLO. It was also on October 12 that Hal Herbert (Vaudrauil) asked Minister of International Trade Wilson if he was aware of the suspension of Canadian export contracts with Middle-East buyers. Wilson replied "that a number of companies have expressed some concern", and

the whole question of bidding on contracts in the Middle-East, as well as the status of existing contracts in the Middle-East, is not entirely clear. There is no question that there has been a hiatus as a result of the announcement in June but, on the other hand, a number of contracts have been successfully concluded and as far as we are aware no contracts have been cancelled. (Hansard, Oct. 12, p. 123)

This last statement, made on a Friday, led to Wilson voluntarily correcting himself on the following Monday, October 15, when he told the House of Commons after question period

that

my officials have made me aware of three contracts which have been cancelled; one in the amount of \$ 4.2 million and two other smaller, one contract for approximately \$ 350,000 and the other for approximately \$ 60,000. (Hansard, Oct. 15, p. 174)

Ten days later Wilson was again grilled on the loss of contracts, and replied

there have been studies done on the effect of the announcement in June of the possible movement of the Embassy to Jerusalem....There is clearly a hiatus resulting in trade negotiations on contracts with those countries. We are concerned about it, we are following it closely, and we hope that the whole matter will be clarified shortly as a result of the trip made by the Hon. Robert Stanfield. (Hansard, Oct. 24, p. 550)

On October 29 the House witnessed its most heated exchange over the Embassy when Clark presented Stanfield's Interim report. In tabling the document the Prime Minister stated that

Mr. Stanfield has concluded that a change in the location of the Canadian Embassy in Israel could be seen as pre-judging negotiations among parties in the Middle-East and might, in fact, work against progress to a just and lasting peace settlement.... The purpose of this government is to encourage that peace. Consequently, the government accepts the recommendation that no action be taken on the location of the Canadian Embassy until the status of Jerusalem is clarified within a comprehensive agreement between Israel and its Arab neighbours. (Hansard, Oct. 29, p. 684)

In his lengthy and critical response, Trudeau asked a series

of rhetorical questions:

It would be interesting for Parliament to know why this policy, which is judged to be misguided now, was really adopted in the first place.... Was this really a considered policy by the government? What did it cost? I do not mean only in terms of economic loss....What did it cost in terms of Canada's credibility in the world....Did it really call for an extensive tour by the right Hon. member's former leader? I can only conclude that this series of reversals is a further indication of the government's incompetence in the matter of foreign affairs. Since there was a reversal between January and April and now another reversal between April and October, I wonder if the information I have received from a high official in one of those Arab countries is not correct when he reported the Hon. Robert Stanfield as having said to some of these governments, 'Don't worry, we will change the policy but also we will change the Prime Minister soon. (Hansard, Oct. 29, p. 694)

The leader of the NDP also lambasted Conservative Middle-East policy. Broadbent asked, moreover, whether Clark's statement was categorical inasmuch as it differed in wording from the more definitive Stanfield Interim report. Trudeau also asked "Has the policy been changed or is it merely the implementation of it which has been delayed?" Finally, Clark ended the October 29 episode by saying that

We do not intend to move the Embassy from Tel Aviv. If there is a just and lasting peace settlement that settles and clarifies the question of Jerusalem, that may allow us to reopen the question. Until there is such a clarification within the context of a just and lasting peace settlement, the Canadian Embassy will stay in Tel Aviv.
(Hansard, Oct. 29, p. 697)

Parliament served as a potent forum for the Liberals and the NDP in their pursuit of Clark on the issue. Question after question hit the Conservative front benches with devastating effect. The opposition was more than just a nagging thorn in the side of the government. Indeed, it was through Parliament that the Liberals secured the admission of lost contracts. It was also there that Clark made public his intention to postpone the Embassy initiative indefinitely.

The Canadian corporate community was deeply disturbed by the Arab world's reaction to Clark's initiative. Three sectors of Canadian business were particularly concerned: oil importing companies, mostly American based multinationals such as Petrofina of Montreal; Canadian banks and other financial institutions, especially the Toronto Dominion and Royal banks; and manufacturers with large export contracts pending with Middle-East countries, such as Bell Canada, ATCO International, Canadair, de Havilland, Westinghouse, etc., as well as large engineering firms with major projects in Arab countries, such as SNC and Lavalin of Montreal. Besides these individual corporations, several trade associations, including the Canadian Manufacturers Association (CMA), the Canadian Federation of Independent Business (CFIB) and especially the Canadian Export Association (CEA), were also active after June 5 in

making the business community's concern known to the government.

The business community's lobbying began with a corporate storming of ITC headquarters in Ottawa. Every conceivable means, at every possible level, was employed during the weeks following the June 5 press conference. Letters, (of which ITC received a record 600), telephone calls, telexes, telegrams and a massive effort of personal representation by literally scores of businessmen were targeted from the desk level through to the Deputy Minister's office and the three ITC ministers (de Cotret, Wilson and Minister of State for Small Business Huntington). Indeed, the ITC bureaucracy was ordered to institute a system of information flow whereby anything on Jerusalem went immediately and directly to Wilson without the usual departmental filtering.⁴

Apart from ITC, the business community aimed its efforts at several other departments (especially External Affairs and Energy) and ministers (Flora MacDonald, Ray Hnatyshyn and Sinclair Stevens). The Prime Minister also received numerous personal representations from members of Canada's corporate elite. The most significant meeting took place on June 22 when he invited thirteen heavy weights from Canadian business, including CMA President John Bulman, CFIB President John Bulloch, ATCO President Ron Southern and

Bell Canada President Jean de Grandpré, to 24 Sussex. The next day Clark announced the appointment of Robert Stanfield, himself no stranger to the business community, as Canada's Special Representative to study the Embassy and other Canada - Middle-East questions.

More in keeping with the quiet, behind the scenes work usually associated with the business lobby were two important representations made by the CEA to Stanfield. The first consisted of a meeting between CEA and other corporate executives with Stanfield at the end of August and dealt primarily with the Embassy question. The second consisted of a letter sent to Stanfield by the CEA in the middle of December covering a wide range of issues important to Canadian businesses interested in the Middle-East.

At the August meeting the CEA attempted to impress upon Stanfield the following:

a) after the United States, the Middle-East probably represents the most important growth market for Canada;

b) a significant number of firms have undertaken a substantial amount of market development activity over a lengthy period of time. This effort has produced sizeable and important results, and if the environment is favourable, would lead to considerable further increase in export trade with the region. Worthy of mention is the fact that most of this trade is in sophisticated manufactured products and services;

c) the experience of Canadian exporters in recent weeks is that the trading environment in the Middle-East has become much colder, that existing contracts are continuing, but that expectations relating to the negotiation and signing

of further contracts are not being realized. The governments of the countries concerned, who are the actual contractors in most cases, have adopted a wait and see attitude with regard to Canada;

d) ...the question of Jerusalem is one that has an impact on all Islamic countries, not just Arab countries. In considering the Canadian position, the importance of Arab foreign aid funds in less developed countries needs to be kept in mind;

e) from the standpoint of the Canadian firms involved in this trade, it is therefore highly important that the issue of Jerusalem be resolved as quickly as possible;

f) ...the whole problem of Jerusalem is tightly intermeshed with the religious beliefs and traditions of Arab officials and businessmen...religion plays a large role in the day-to-day life of the Arab people;

g) ...Arab countries are not looking to Canada to champion their cause. However, they do wish to see Canada maintain a neutral even-handed position in dealing with the problems arising in that area of the world.

At this same meeting, the CEA members made it clear that in improving relations "with the Arab countries, aside from the resolution of the immediate issue of Jerusalem, the most important question relates to the boycott". The CEA also advanced suggestions for the improvement of Canadian bilateral relations with countries in the Arab world which included:

- 1) A more systematic and comprehensive series of Ministerial visits to the countries of the region;
- 2) Establishment of an Embassy in Libya;
- 3) An expanded program of collaboration between CIDA and the foreign aid agencies of the Middle-East countries;

4) Expansion of the existing facilities to provide technical and post-secondary education in Canada to students from the Middle-East;

5) A program to encourage Canadian economic and financial journalists to visit Arab countries, with a corresponding program aimed at increasing the number of Arab journalists visiting Canada.*

The second CEA representation, the December letter to Stanfield, addressed itself largely to the Arab boycott and argued that

Adoption of mandatory legislation to deal with this issue would add very little, if any, greater effectiveness in Canadian policy terms, and it would have the distinct disadvantage of re-arousing adverse reactions in many Middle-Eastern governments and undoing some or all of the benefits of the recent government decision on Jerusalem taken following your initial report to the government. **

This letter also reiterated the fact, first brought up in the August meeting, that only the United States has implemented a legislated response to the Arab boycott, and that the issue is wider than the Middle-East inasmuch as Arab financing is important in many Moslem but non-Arab states such as Pakistan and Indonesia.

On both the Embassy and the boycott questions, the business community's concerns found ample expression. The corporate lobby enjoyed a degree of entrée to politicians and bureaucrats

* All passages from a CEA letter to Stanfield, Sept. 20, 1979.

** From a CEA letter to Stanfield, December 18, 1979.

throughout the Embassy Affair that no other group came close to equalling. This was so for many reasons, not least the fact that no political party, and especially the free enterprise Conservatives, can afford to turn a deaf ear to business when the economy is in a downturn.

The Stanfield Mission

The appointment on June 23 of Robert Stanfield as Canada's Special Representative and Ambassador-at-large by Clark was an important development. A curious hybrid of inquiry, fact finding and conciliation, the Stanfield mission both simplified and complicated matters for the government. The appointment afforded Clark much needed time in which to reappraise his initiative, but it placated neither Arab and Jewish groups and increased their doubts.

Several accounts of the genesis of the Stanfield mission have been advanced. As early as June 13 the Arab League Information Office in Ottawa publicly urged the Clark government to dispatch a goodwill tour to the Middle-East. Such a mission, it was argued, would begin to rebuild severely damaged Canadian-Arab relations and would allow the Conservative government to obtain an objective overview of the situation in the Middle-East, particularly the Arab-Israeli conflict. As for the make-up of the

mission, the Arab League Information Office intimated that a high ranking delegation, perhaps including a minister such as Secretary of State for External Affairs MacDonald, would be the most effective.

The choice of Stanfield is generally credited to MacDonald, who, having worked for Stanfield while he was leader of the opposition, was apparently the only member of the Clark cabinet able to impose such a difficult task upon her former employer. The choice was a wise one. Being a personage of great prestige, Stanfield was able to command the respect of those with whom he spoke, and was likewise assured that the Clark government would take his recommendations seriously.

There was substantial debate between the Prime Minister's Office, External Affairs and MacDonald about Stanfield's terms of reference.⁵ Clark initially wanted Stanfield to find out how to implement the Embassy transfer and to determine its costs. By contrast, External Affairs saw the mission as a means to dump the policy altogether. For her part, MacDonald wanted Stanfield simply to provide the government with a breathing space in which carefully to reconsider all the ramifications of the policy. After several drafts, the terms of reference, as set out in an Order-in-Council (P.C. 1979 - 1843), came to be a mix of these three positions; Stanfield was asked

To study the whole spectrum of Canada's relationship with the countries of the Middle-East and North Africa, specifically;

- a) To examine ways and means of further enhancing Canada's bilateral relationship with these countries in all fields including the political, economic, technical and cultural areas;
- b) To examine ways and means by which Canada could contribute to the objective of a just and lasting comprehensive peace settlement in the Middle-East; and
- c) To examine ways and means of implementing the government's policy on Jerusalem in a manner that will be compatible with the efforts to achieve such a peace.

In carrying out his mandate Stanfield consulted with numerous groups and individuals both interested in and expert on questions relating to Canadian - Middle-Eastern relations. In speaking with and accepting written and often very detailed briefs from academics, bureaucrats, members of the Arab diplomatic corps in Ottawa and representatives of the Canadian business and Jewish communities, Stanfield was exposed to all the arguments encompassed in the Jerusalem issue. As well, between September 10 and October 18 he visited Israel, Turkey, Jordan, Saudi Arabia, Iraq, Syria, Lebanon, Egypt and the United Kingdom. A second trip two months later took him to Algeria, Morocco, Tunisia, France, Italy and the Vatican. In addition, he visited Washington, United Nations headquarters in New York and four provincial capitals.

The consultations are considered by some to have been counter productive. Rather than admit the untimeliness of his April 25 and June 5 policy pronouncements, by appointing the Stanfield mission, Clark, throughout the summer and fall of 1979, managed to keep his foreign policy blunder prominently

on the Canadian political agenda for a painfully long period of time. Indeed, Stanfield's first trip overseas coincided with the opening of Parliament and, as seen earlier, this had the effect of bringing the Embassy issue into the House of Commons where Conservative Middle-East policy was subjected to persistent attack by the Liberals. Those who berate the Stanfield mission as dysfunctional are generally disgruntled Progressive Conservatives who believe that the negative publicity it afforded the Embassy Affair had a great deal to do with reinforcing Clark's image of incompetence and consequently contributed to the Conservative Party's defeat in the 1980 February federal election.

Conversely, those in the Ottawa foreign policy bureaucracy concerned with improving Canadian-Arab relations consider the Stanfield mission an unmitigated success. Officials at ITC and External Affairs maintain that Stanfield, both through his consultations in Arab capitals and later in his substantive remarks, made a major contribution to rebuilding a working rapport between Canada and the Arab world.

In his capacity as Special Representative Stanfield followed his Interim report with a final one on February 20, 1980. In both he addressed himself to "the peace process between Israel and the Arab states....(and) reciprocal relations between Canada and the countries of the Middle-East and North Africa in the political, economic, technical and cultural areas". In his Interim report, Stanfield had approached the question of

moving Canada's Embassy from Tel Aviv to Jerusalem

on the premise that while Canada has important economic interests in the Middle-East our most fundamental concerns in that region are the achievement of a just and lasting peace and the contribution that we can make to that end as Canadians.

Accordingly, in view of the fact that the Camp David Accords and negotiations between Israel and Egypt have not resulted in a comprehensive peace settlement, especially with regard to the future of Jerusalem, Stanfield recommended against the transfer of the Embassy. Given the complex negotiations on Jerusalem and the sharply differing positions of the Israelis and Arabs, Stanfield maintained that a move of the Embassy would have an exceedingly negative impact upon the peace process:

To use effectively whatever influence we may have in the area to encourage moderation and compromise we must retain credibility with both sides as a fair minded interlocutor. We could not do this if we were to move our Embassy to Jerusalem.

Furthermore, Stanfield contended that moving the Embassy would

also enhance the concern already exhibited by many in the area that the Camp David process does not serve the interests of a comprehensive settlement because it does not adequately deal with the Palestinian, Jerusalem and other questions. To succeed, negotiations for such a settlement must have wider participation. I do not think that Canada should pursue any course of action which risks making this more difficult or which erodes the credibility of the Camp David Accords by creating the impression that they have strengthened the position of one of the parties on a key issue yet to be addressed in negotiations.

Stanfield also addressed several questions concerning actual or potential Canadian contributions to the Middle-East peace process, apart from those directly related to the Embassy question. Besides continuing to provide material assistance through UNRWA, he perceived Canada's major role in Arab-Israeli negotiations as helping the various belligerent parties communicate with one another; to this end Canada should remain as impartial as possible and flexible with reference to the mechanisms and processes intended to achieve its resolution. Canada's part in the Middle-East peace process, he asserted, while modest, might be effective if played properly. One specific and innovative proposal advocated by Stanfield called for increased dialogue among Jewish and Arab groups within Canada. Such discussions, he believed, could strengthen Canada's Middle-East policy and help promote understanding in the Middle-East as well as lead to greater understanding of the area by Canadians generally.

With regard to bilateral relations between Canada and the Middle-East, Stanfield suggested in his Final report that great potential exists for both economic and cultural exchange, but only if "problems concerning the Arab boycott will be resolved in such a manner as to sustain a favourable climate in which to pursue such relations". He delineated two forms of Arab boycott; one strictly commercial and the other "moral", the latter constituting discrimination against Canadians on the basis of race or religion. With regard to the former, Stanfield

stated:

If the boycotts raise only a question of commercial policy and no higher moral considerations the government would seem entitled to pursue policies considered to be in the best economic interests of Canada.

In effect, Stanfield contended that a trading restriction imposed on a Canadian firm by its acceptance of a boycott clause "is not the imposition of foreign law within Canada". By contrast, he affirmed that "actual proof of racism in the administration of the boycott would be something very different, something which Canadians would not wish to accept regardless of the consequences". Stanfield concluded that present regulations are sufficient to deter compliance on the part of a Canadian firm with the imposition of a moral, as opposed to a commercial, Arab boycott.

In coming to his conclusions three factors were considered by Stanfield. They are, in order of importance: Canada's economic interests in the Middle-East; Arab reaction to Canadian policy; and Canada's diplomatic role in the area. In drafting his recommendations on the boycott, the prospects of Canadian firms doing business in the Middle-East was foremost in Stanfield's mind, followed by considerations of Arab receptiveness of Canadian anti-boycott legislation. Least important was the impact that any anti-boycott policy would have on Canada's role in the Middle-East as a peacekeeper and peacemaker. These three factors were also evident in Stanfield's

thinking on the Embassy issue, but were considered by him in inverse order of importance. That is, Stanfield was genuinely impressed by the potential diplomatic role that Canada could and should play in the Middle-East peace process and believed that a move of Canada's Embassy would jeopardize it. Stanfield was also concerned about the negative effect that such an initiative would have on Arab perceptions of the Middle-East peace process. Finally, even though he well understood the corporate concerns, the commercial argument carried the least currency with him.

Explaining the Reversal

At least a dozen distinct, yet related factors must be weighed when considering Clark's decision to postpone indefinitely the Embassy move. Arguing for a reversal of the initiative since early June was Ottawa's foreign policy bureaucracy, most academics who spoke out on the subject, the Canadian Arab community, Ottawa's Arab diplomatic corps, Canada's corporate lobby and Stanfield. While the only groups urging Clark to remain firm were segments of the Canadian Jewish community, and the Begin government, Clark's own personal and professional resolve must be taken into account.

Officials at ITC and External Affairs who before June 5 warned Clark against keeping his election promise, and who later relentlessly called for its reversal, had the least

22
OF / DE

effect on Clark. The Prime Minister read the papers prepared by External Affairs and Privy Council on Jerusalem, listened to their verbal briefings, and then defied them. The bureaucracy's warnings had the opposite effect inasmuch as Clark, like Diefenbaker some twenty years earlier, greatly mistrusted External Affairs as a bastion of Liberal civil servants. He believed this perception of External Affairs had been borne out by its handling of the initial Arab response to his June 5 press conference statement. A Clark aide recalled in an interview how External's man in Jeddah was sending back hysterical cables to Ottawa "that led one to believe that half of Canada's gross national product was about to go down the drain". Indeed, Clark and his advisors insisted that External Affairs encouraged Arab reaction by letting it be known that Cabinet was split on Jerusalem and that pressure exerted upon certain ministers would thus have great effect. In short, Clark believed that his Middle-East policy would have worked had External Affairs spent as much time selling as criticizing it.

Clark was also deaf to non-bureaucratic experts, such as Canada's academic community. The Prime Minister quickly developed a siege mentality and simply did not listen to any more bad news on Jerusalem; he asked one of his aides to screen his mail so that letters calling for a reversal in policy would not reach his desk. After his trips to the Tokyo summit and the Commonwealth conference in Lusaka, this anti-expert

mentality began to change as Clark slowly came to the realization that Ottawa's senior mandarins were not out to get the new government, and that in fact, External Affairs had the best advice in town on foreign policy. By the fall of 1979 Clark was ready to follow External Affairs' counsel, at least on the Embassy issue.

Clark's initial reaction to the negative press over Jerusalem was also wary scepticism. The front page headlines trumpeting dangerous Arab reaction to his initiative at first only served to harden his resolve. After a while he refused to acknowledge the "bad press" he was getting over the issue by simply not reading any more damaging newspaper reports. Editorial sentiment to the effect that Canada ought to stand up to Arab blackmail was, however, brought to Clark's attention and pleased him greatly.

Clark's hostile reaction to negative reaction coming from academics, Ottawa's bureaucrats and the press was largely a function of the fact that because Jerusalem was Clark's first major policy initiative, it assumed a multitude of connotations for the rookie Prime Minister. Cognizant of the importance of looking capable, and above all decisive, Clark made a conscious effort to act "prime ministerial" from the moment he was sworn in at Rideau Hall. This was especially true in the arena of foreign policy where Clark was widely considered far weaker than his predecessor, Pierre Trudeau. This made a quick policy reversal on Jerusalem very difficult.

One of the two decisive factors which ultimately led Clark to reconsider his stand on Jerusalem was the massive, unyielding Arab reaction. The size and intensity of response to Clark's June 5 press conference statement from the Arab world caught Ottawa and the Conservatives completely off guard. The ensuing Canadian-Arab altercation might, at least from the Canadian perspective, even be termed a crisis. For several weeks Ottawa's foreign policy bureaucracy and the Prime Minister's Office was caught up - indeed obsessed - with the conflict. It was a particularly trying time for the rookie Prime Minister. Coming home from Tokyo at the end of June, Clark admitted to a journalist that Jerusalem

clearly was the toughest matter we've faced. It reached a point where I was afraid it was going to make it difficult for the government to deal with other partners in the community, and to get attention turned on to other important questions. Its not the kind of question that you can move toward resolution. Everybody is talking about it. It is very much one where you need some calm. There are different kinds of issues. Jerusalem is one that is best left to quiet diplomacy. (Maclean's, July 16, 1979)

The Arab world's effectiveness is largely attributable to the fact, as outlined in the previous chapter, that it had Canada over an economic barrel. As important as this economic clout, however, was the fact that the Arabs combined their financial and commercial superiority with diplomatic

adroitness. One Clark aide was particularly impressed by the fact that at the three Arab conferences held in June in the Middle-East and North Africa, an increasingly hard line was taken against Canada's intention to move its Embassy. Diplomatic escalation was also put to good use in Ottawa where Clark's April 25 and June 5 announcements prompted at first discrete Arab enquiries, then muted and later strong protests, and finally threats and sanctions. Even the method of applying blandishments was masterful.

At their meetings with MacDonald and Clark, and on the Ottawa cocktail circuit, individual Arab Ambassadors went out of their way to reassure Canada's Prime Minister and Minister of External Affairs that, while their own country did not intend to take diplomatic or economic action against Canada, they were certain that their colleague's government was on the verge of imposing an embargo or cancelling contracts.

The only group to enjoy greater effectiveness was the business community. This is in large part attributable to the sheer size of its effort; as one Clark aide put it, "by massive business lobby on this issue I mean they were coming through the window!" More specifically, the degree of success realized by the business community on the Embassy issue may be said to have been a function of three broad factors. As one author puts it;

The extent to which a group achieves effective access to the institutions of government is the resultant of a complex of interdependent factors (relating to a group's strategic position in the

society, its internal characteristics and factors peculiar to the governmental institutions themselves.) In the first group are the group's status or prestige in the society, affecting the ease with which it commands deference from those outside its bounds.... the second category includes the degree of appropriateness of the group's organization.... In the third category is the operating structure of the governmental institutions.

(Truman, 1951:506-507)

It is first important to note the internal organization and make-up of the Canadian corporate lobby because this dictates to a great extent its ability to enunciate policy demands and its success in securing support for these demands from Ottawa decision-makers and Canadian society more generally. The importance of the CEA to the Canadian corporate community's efforts on Jerusalem must be emphasized. It is a private, non-profit organization comprised of companies in Canada that are committed to the furthering of exports. Its membership includes Canada's major industrial materials producers, agricultural products exporters, construction companies, consulting firms, trading houses and export agencies, banks and other financial institutions, transportation and insurance companies. Incorporated in 1943, the CEA

is active in ensuring that governments - federal, provincial and municipal government agencies - are aware of the impact of their policies and procedures on Canadian export interests and potential. The process of presenting comments and views is one of the central functions of the Association in relation to such organizations as the Department of ITC, the Export Development Corporation....The Association's techniques in presenting views include the submission of written briefs, meetings

between the Board of Directors and the Federal Cabinet, consultation by Association Committees with senior officials of government departments and agencies... (From CEA information brochure)

CEA involvement assured that a well equipped, professional organization would oversee business lobbying on Jerusalem. The CEA's substantial financial and other resources allowed it to play a major role in coordinating the corporate campaign from its Ottawa headquarters throughout the spring, summer and fall of 1979. Moreover, the CEA's major contribution may well have been that offered by its president, Tom Burns, a former senior ITC official who masterminded the strategy on the Embassy issue. Burns' work confirms Presthus' dual observation that "in many ways, the most important element in the interest group structure is the director" and "interest group directors may be viewed as the cutting edge of the group's effort to influence public opinion and governmental policies". (Presthus, 1973:104 & 121)

Turning to another factor mentioned by Truman, namely the governmental decision-making structure, a key element in business effectiveness was the relatively small official decision-making "target". During June there was virtually only one individual who really mattered from the business lobby's point of view - Prime Minister Clark. Cabinet, caucus and the bureaucracy were only important in so far as they brought pressure to bear upon Clark and were therefore only considered secondary targets.

After June 23 the business community's efforts remained focussed on a solitary individual, but a different one, Robert Stanfield. As noted above, Clark had appointed a one man enquiry instead of a committee, task force or some larger group.* Thus, the CEA was again fortunate in having a single, well defined target, and one inherently sympathetic to the views of the business community. This is not to say that the business lobby confined its representations to Clark and Stanfield, but rather that its job was facilitated by the fact that on this issue so few people were involved in the official decision-making process.

Internal group make-up and governmental decision-making structure, however, do not alone account for the success of the business community. In addition, it was able, as Truman puts it, "to command deference from those outside its bounds". That is, the Canadian business community was well in tune with general, societal sentiment on the Embassy issue. This is central to the lobby's success on Jerusalem inasmuch as

An interest group will succeed best if its overall aims are in keeping with the prevailing values of the society in which it operates.

(Van Loon & Whittington, 1976:304 - The Canadian Political Process)

* A proposal was aired with Clark and MacDonald to have the House of Commons Standing Committee on External Affairs and National Defence look into the whole matter, but was refused.

and

interest groups that are able to frame their arguments in terms of general, long standing national traditions hold an advantage to the extent that policy momentum favours their preferences, and that they are more likely to solicit automatic support both from decision makers and the mass public. (Trice, 1976:127)

Proof that the business community was well aligned with the general public is borne out by a July, 1979 Gallup poll which registered, in response to the question "should the government go ahead with the Embassy move?", 15 % "don't know", 15 % "should go ahead" and 70 % "should not". These figures are all the more trenchant when considering that Canadian public opinion polls on Middle-East questions had consistently registered a substantial "don't know" category. John Benesh, in a study of Canadian opinion vis-à-vis the Middle-East*, found a consistent 20 % pro-Israel, 5 % pro-Arab and 75 % "don't know" breakdown in Gallup respondents between 1945 and the early 1970s. Thus, on the Embassy question, the Gallup figures registered uncharacteristically high interest in the issue and overwhelming opposition to the government's policy.

Apart from their separate campaigns, the Arab and business lobbies acted in concert in a much publicized meeting; Bell

*.1979 Paterson School thesis, Carleton University.

Canada President Jean de Grandpré flew up to Ottawa from Montreal two days after Clark's June 5 press conference to meet with the Arab Ambassadors and told them not to worry about Clark. Throughout the Embassy Affair individual Canadian businesses in the Middle-East acted as conduits for Arab concern. In Canada, the business community was instrumental in translating these external, Arab signals into terms that Canadians could readily understand; namely, that defiance in the face of Arab opposition to the Tory initiative would prove too costly a policy for Canada.

Against the Arabs and the business community, the Canadian Jewish community and the Israeli government stood practically alone in urging Clark to remain firm. Begin phoned Clark on June 7 to thank him for his initiative; he also said he expected the Canadian Prime Minister to follow through on his pledge. Some prominent Canadian Jews warned Clark publicly not to back down in the face of Arab or corporate pressure*. In fact, the Jewish community's efforts were not without effect, given Clark's emotional attachment to Israel and his deep moral belief in the justice of the case for moving the Embassy. Moreover, as already mentioned, because

* On the other hand, some Canadian Jewish businessmen with major commercial interests in Arab countries, joined the corporate chorus for a reversal of Conservative Middle-East policy.

Jerusalem was Clark's first policy initiative, Arab and business criticism initially served only to strengthen Clark's pro-Jewish stand. Indeed, inasmuch as the Arab and business lobbies called for an immediate reversal of the Embassy policy, the Stanfield appointment, and Clark's wrangling with External Affairs over its terms of reference, in a sense reflects the degree to which Clark still sided with the Jewish lobby up until his trip to Tokyo.

The Tokyo summit was an important threshold. Jimmy Carter confronted Clark on his Middle-East initiative and made clear the negative repercussions it would have on the delicate Camp David peace process. This meeting with Carter, rather than the establishment of the Stanfield mission, represents the turning point at which Clark began to think in terms of a policy reversal. Carter's questioning of Canadian policy on political grounds had the effect of sensitizing Clark to Arab reaction abroad and Canadian business reaction at home.

Following Tokyo several other factors conspired to allow Arab and business reaction to better hit their mark. Chronologically speaking, the first was that the Cabinet and the Conservative caucus became increasingly opposed to Clark's policy. He had already resigned himself to little or no support from the Conservative Party when at the second caucus meeting after the election he took the burden of responsibility for the policy wholly upon himself, denying that Atkey or any other Toronto Members of Parliament had anything to do with its formulation or announcement. Meanwhile, because most of

Clark's cabinet colleagues came to the issue without strong feelings, the potential costs of the policy quickly came to outweigh any other considerations in their minds.

By the time Parliament reconvened on October 8, 1979, Clark was clearly thinking of putting the Embassy policy into deep freeze. The incessant flack that he and his ministers had to withstand in the House on the issue made him all the more eager to end the whole affair. While opposition in Parliament may not bother a leader like Trudeau, Clark's deep respect for the institution enhanced the effectiveness of the criticism expressed in that forum*.

The unexpectedness and urgency with which Stanfield submitted his Interim report, which dealt exclusively with the Embassy, was the final factor in Clark's reversal. Originally, it was announced by the Prime Minister's Office that Stanfield would not be heard from until the fall of 1980 at the earliest. In September 1979 Stanfield himself did not consider the possibility of reporting to the government until "some time early next year". Indeed, upon Stanfield's return from his first trip abroad in October 1979, Clark's office issued a release stating that an early report was not expected.

* One interviewee mentioned Clark's self-perception as a staunch Parliamentarian as one of the motives behind the initiative in the first place; that is, Clark felt that it was only proper and just that Canada's Embassy be located in the same city as the Knesset, Israel's Parliament.

Three days after this statement, Stanfield submitted his Interim report stating that "appropriate recommendations regarding the location of the Embassy in Israel seem so clear following the consultations I have already held that I wish to submit them to you". Upon receiving a copy Clark called in MacDonald for a brief consultation. The next day he rose in the House of Commons to announce that it was no longer the government's intention to proceed with the Middle-East initiative he had announced six months earlier; Clark's Jerusalem Embassy Affair had been laid to rest.

Notes

1. Toronto Daily Star June 19, 1979
2. ibid, June 7, 1979
3. Globe and Mail May 4, 1979
4. From interviews with ITC officials.
5. From interviews with Conservative Party officials.

CONCLUSION

The conventional view of the Jerusalem Embassy Affair is that Clark made an electoral promise at the behest of the Jewish community, found the resulting Arab and domestic corporate pressure irresistible and consequently appointed the Stanfield mission to put the Conservatives' Middle-East policy on ice. In fact, this study reveals that the Embassy Affair's emergence and resolution were far more complex and problematic. The Canadian Jewish community was greatly divided over the political course to follow on Jerusalem. One extremely significant aspect of the Embassy Affair is that the issue's emergence exemplifies not so much an interest group demanding policy action from a political party as it does a political party using an ethnic group for what was perceived to be possible electoral gain.

As for the issue's resolution, many in the business community intimately involved in the corporate campaign to persuade the Conservative government to renege on its Embassy promise do not consider themselves victors because their demand for an immediate reversal of policy was not complied with. Similarly, inasmuch as the Stanfield mission's terms of reference did not explicitly herald a reversal of Conservative Middle-East policy, these same

businessmen initially viewed Stanfield's appointment as a further set back. Indeed, the wrangling between Clark, Flora MacDonald and the bureaucracy over Stanfield's terms of reference coupled with the fact that Stanfield brought not a narrow corporate but a high-minded legal approach to bear on Canada - Middle-East relations by viewing the Israelis and Arabs as contending adversaries, reinforces the contention that the Stanfield effort was not at all a pre-determined endeavour but a truly independent mission of inquiry and recommendation.

While this thesis has by its unswerving "case study" approach stressed the particular in order to capture the many nuances of the Jerusalem Embassy Affair, several important themes in Canadian Middle-East policy are nevertheless highlighted by the issue. One concerns the paramountcy of the prime minister in determining the direction of Canada's Middle-East policy. Mackenzie King's anti-Zionist predisposition accounts for the relative lack of success enjoyed by the Canadian Jewish community during his reign. By contrast, under St. Laurent, Diefenbaker and especially Pearson, Canada's Middle-East policy was decidedly pro-Israel in orientation. Similarly, Clark's personal pro-Israel sympathies played a major role in the Embassy Affair, both in helping to inspire the initiative and then in impeding its reversal.

Another recurrent theme in Canadian - Middle-Eastern relations brought to light by the Embassy issue is the role of the Jewish community as an important domestic source of policy input. While there are cleavages within this ethnic group, its over-riding concern for the survival of Israel remains an important factor in the formulation of Canada's Middle-East policy. This is so for several reasons; namely, the Jewish vote, or, more precisely, the major parties' perception of its presence, the existence in Ottawa of a very expert lobby, and magnifying the effect of both, the lack of a corresponding Arab electoral or organizational presence. As for the use of its political clout, the Jewish community has been traditionally very successful in "agenda setting" and challenging the legitimacy of other positions on the Middle-East. Throughout the post war period it has been effective in delineating the parameters of Canadian discussion on the Middle-East while getting non-Jewish Canadians to question the appropriateness of anti-Israel views on Middle-East issues. Recent changes in the international environment, however, arising primarily from the 1967 and 1973 Wars, and especially from Sadat's historic peace mission to Jerusalem in 1979, have tended to diminish the ability of the Jewish lobby to impact upon the Canadian foreign policy process.

Another factor important in tempering the Jewish community's effectiveness in Ottawa has been the increase in commercial

exchange between Canada and the Arab world, which, since the early 1970s, has encouraged Canada's corporate community to become a major domestic input into Canadian Middle-East policy. As this study has shown, the corporate sector's concern is both well expressed and well listened to by Ottawa's politicians and bureaucrats. A significant spin off of increased economic activity with the Arabs has been the incremental introduction of the Arab point of view into Canadian discussion of the Middle-East. One most refreshing effect of this has been the clearing away of some of the more unfortunate perceptions of the Arabs long held by the Canadian public.

In a similar vein, Stanfield's mission and his two reports stand out as a positive outcome of the Jerusalem Affair. Genuinely impressed by the diplomatic role Canada might be able to play in the Middle-East, Stanfield argued for a scrupulously exercised Canadian evenhandedness in the region. This includes, in Stanfield's estimation, recognition of the fact that the Palestinian problem is central to the Middle-East dilemma and that worthwhile negotiations toward a just and lasting settlement will only take place when their involvement in the peace process is assured. In effect, Stanfield in his final report attempted to move Canadian Middle-East policy from clear partiality for one Middle-East actor to a position of impartiality.

It is as yet too early (August 1980) to comment on the

effect of the Stanfield report on official Canadian policy. Indeed, in stark contrast to the period before and after the 1979 election, when first the boycott and then the Embassy questions were high priority issues of Canadian foreign policy, discussion in Cabinet or by caucus of the Middle-East seems to have been nonexistent since the Liberals assumed office in March, 1980. Two recent events, however, have managed to show the new government's hand on Middle-East affairs.

The first involved the United Nations General Assembly's consideration during the month of July, 1980 of two resolutions dealing with the Palestinian question. The more important resolution called for a return to Palestinians of their homes and property, recognition of the right of the Palestinians to their own independent state and reaffirmed the right of the PLO to participate as the representative of the Palestinian people in United Nations deliberations on the Middle-East. The resolution also called upon Israel to withdraw from the occupied territories by November 15, 1980 and to stop new settlement in the West Bank. The second resolution asked the United Nations' Palestinian rights committee to study thoroughly the reasons for the refusal of Israel to comply with past United Nations resolutions on Palestine.

The General Assembly voted 112 - 7 with 24 abstentions and 112 - 5 and 26 abstentions on the two resolutions. Canada

voted no on both, along with Israel, the United States, Australia, Guatemala, Norway and the Dominican Republic on the first, and with the same group of countries, save for Norway and the Dominican Republic, on the second. In explaining Canada's action, Canadian Ambassador to the United Nations, Michel Dupuy, said that the resolutions were not balanced. He argued that they nowhere acknowledge the sovereignty and territorial integrity of the states of the area and that they prejudge negotiations.

Coinciding with the General Assembly debate, the Israeli Knesset was in the process of passing a bill which proclaimed Jerusalem, including the annexed Arab sector, as Israel's capital. The legislation set out as a basic law - the Israeli equivalent of a constitutional principle - earlier administrative orders declaring Jerusalem the capital, by stipulating that henceforth the city would be the permanent location of the Knesset and the Supreme Court. The bill also declared that "the integrity and unity of Jerusalem as delineated after the Six Day War shall not be impaired". In an accompanying move, Prime Minister Begin indicated that he would move his office from the Jewish western sector of Jerusalem to the east side of the city.

In response to these Israeli actions, several Islamic countries, in action reminiscent of that taken against Canada the previous summer, applied pressure to states who had embassies in Jerusalem to move them. Moreover, as a result

of Israel's unilateral action on Jerusalem, Sadat suspended Egyptian participation in the Palestinian autonomy talks. Begin countered this by sending Sadat a long letter informing him that the Israelis no longer considered Jerusalem on the agenda of the autonomy talks. External Affairs Minister Mark MacGuigan, in his first policy pronouncement on the Middle-East, made an official protest to Israel stating that Canada would neither recognize the new law nor conduct diplomatic business in East Jerusalem, and added that such actions impede the prospects for peace in the region.

Coupled with Canada's "no" vote at the United Nations, this protest indicates a peculiarly perverse form of evenhandedness in Canadian Middle-East policy on the part of the new government. On the surface, it seems that, on the one hand, Canada voted against a one-sided United Nations resolution aimed at Israel while, on the other hand, it protested Israel's one-sided initiative on Jerusalem. In fact, Canada missed a golden opportunity to abstain at the United Nations, and in an attempt to counter negative Arab response to its pro-Israel vote, it sent an inconsequential note to Begin, thus allowing Canada to say to the Israelis that it did not support the Arabs on the United Nations resolution and to say to the Arabs that it did not support Israel on its

Jerusalem policy. This is, unfortunately, not quite the evenhandedness Stanfield had in mind.

* * * * *

This study, because it is first and foremost a case study, does not lend itself to a grand, all encompassing thesis, but rather evokes several questions which might well be fruitful areas for further study. It would be interesting to compare and contrast Clark's reversal on the Embassy with other policy reversals generally and especially with policy turnarounds of other new governments. Notwithstanding the usefulness of such inquiry, however, it might well be that in the final analysis the Jerusalem Embassy Affair's noteworthiness lies in its uniqueness; to generalize or to draw broad conclusions from such an unusual set of circumstances and factors must be done with great caution.

This does not mean, however, that certain lessons may not be learned from the Embassy Affair. To Conservatives at least, the issue raises a number of fundamental questions concerning the domestic political process and the Conservatives' predicament as Canada's traditional opposition party; namely, its lack of access to information and expertise, its pronounced vulnerability during elections to special interest groups, and, in the unlikely event that it finds itself in power, its lack of experience in governing given its lengthy sojourn in the political wilderness. Many observers, both within and outside

the Conservative Party, cite these three factors to explain Clark's mishandling of the Embassy issue in the months preceding and following the 1979 election.

Conservatives argue that a root cause of their unfortunate experience with Jerusalem can be traced to the fact that, while in opposition, Clark was denied the opportunity to gain first hand insight into the subtleties of world politics. This is, Clark's aides argue, less a reflection on their leader than on a parliamentary system which does not allow members of the opposition to become familiar in any effective way with the issues and intricacies of Canada's external affairs. Two obstacles, they contend, loom particularly large; lack of access to hard, often sensitive information, which would permit the leader of the opposition to get a feel for what is really going on in the world, and a lack of sustained contact with bureaucrats which would, at the very least, afford both the opposition leader and the chief civil servants a clearer understanding of each other. In retrospect, Conservatives realize that a two week whirlwind tour of the world, and a two day foreign policy conference, do not constitute an adequate preparation in world politics.

Exacerbating the problem of access to information and expertise is the Canadian electorate's propensity to sustain a single party Liberal hegemony in Ottawa. Over a period of time this results in an isolated opposition very much prone to adopting half baked policy positions on the advice

of narrow domestic constituencies because, being out of government for so long, it does not realize the policy's foolhardiness. It is also excessively eager to come to power and may well consider about any interest group's support as crucial to its electoral fortunes. In the Embassy case this phenomenon was taken even a step further; it was less the official representatives of the Jewish community who pushed for a Conservative promise on Jerusalem as Clark's own advisors who urged him in the name of the Jewish community.

It is when an opposition party so long (sixteen years) in the wilderness finally comes to power that the aforementioned factors - its inexperience in world politics and its tendency to adopt dangerous policy - really take their toll. Distrustful at first of the foreign policy bureaucracy that seemed so unhelpful to it when still in opposition, the new government is likely to adopt a posture of confrontation towards its senior mandarins. By the time the new cabinet comes to grips with the levers of power, major errors are likely to have been made. Had Prime Minister Clark found an issue other than Jerusalem with which to signal top civil servants, and had the Embassy issue come up several months after it did, the chances are that Clark would have already learned enough about initiative and constraint in Canadian foreign policy not to proceed with the electoral pledge.

A Note on Interviews

As mentioned previously, the lion's share of information for this study was obtained through more than thirty interviews conducted during the winter of 1979 and the spring and summer of 1980. Interviewees from the Conservative Party included five cabinet ministers, three members of Clark's staff, two members of the Conservative Party Research Bureau, two Senators and two of Clark's close personal friends. From the Jewish and business communities the top officials of their lobby organizations in Ottawa were interviewed, in addition to the presidents of two major Canadian corporations directly involved in the issue and several spokesmen for the Jewish community in Toronto and Montreal. With respect to Ottawa's foreign policy community, six officials from External Affairs and Privy Council Office and three from Industry, Trade and Commerce were interviewed, as well as three members of the Arab diplomatic corps and two officials from the Parliamentary Centre for Foreign Relations. In addition, innumerable informal conversations with members of the Liberal Party, the Ottawa Press Gallery and professors were drawn upon.

BIBLIOGRAPHY

In addition to interviews, information for this study was compiled from the following sources; especially, useful were the clipping services at the Canadian Institute of International Affairs library in Toronto and the Department of External Affairs in Ottawa.

Newspapers

Globe and Mail	La Presse
• Toronto Daily Star	Le Devoir
Montreal Gazette	Financial Post
Montreal Star	New York Times
Ottawa Journal	Maclean's
Ottawa Citizen	Saturday Night

References

Adelman, H. (1980) "Clark and the Canadian Embassy in Israel"
Middle East Focus March 1980

Barry, D. (1975) "Interest Groups and the Foreign Policy Process: The Case of Biafra", in P. Pross (ed.) Pressure Group Behaviour in Canadian Politics Scarborough: McGraw-Hill Ryerson

Baldwin, D. (1979) "Power Analysis and World Politics: New Trends versus Old Tendencies" World Politics January 1979 xxxi No. 2

Bentley, A. (1908) The Process of Government
Cambridge: Harvard University Press

Camp, D. (1979) Points of Departure
Ottawa: Deneau and Greenberg

Canada-Israel Committee (1979) Canada-Israel Friendship: The First Thirty Years Toronto: Canada-Israel Committee

Cohen, B. (1973) The Public's Impact on Foreign Policy Boston: World Peace Foundation

_____, (1959) The Influence of Non-Governmental Groups on Foreign Policy Making Boston: Little and Brown

Cook, R. (1963) "Foreign Policy and the Election: An Uncertain Trumpet" International Journal Summer 1963

Eayrs, J. (1959) Canada in World Affairs 1955-1957 Toronto: Oxford University Press

Frankel, J. (1963) The Making of Foreign Policy London: Oxford University Press

Grossman, L. (1978) "The Shifting Canadian Vote on Mideast Questions at the United Nations" International Perspectives May/June 1978

Hughes, B. (1978) The Domestic Context of American Foreign Policy San Francisco: W.H. Freeman

Humphreys, D. (1978) Joe Clark: A Portrait Ottawa: Deneau and Greenberg

Ismael, T. (1976) "Canada and the Middle-East", in Lyon, P and Ismael (eds.) Canada and the Third World Toronto: Macmillan

Janis, I. (1972) Victims of Groupthink Boston: Houghton Mifflin

Kelman, H. (ed.) (1965) International Behaviour: A Social Psychological Analysis New York: Holt, Rinehart and Winston

Kirton, J. (1978) "Foreign Policy Decision-Making in the Trudeau Government" International Journal Spring 1978

Kay, Z. (1978) Canada and Palestine Jerusalem: Israel Universities Press

Knorr, K. and F. Trager (eds.) (1977) Economic Issues and National Security Lawrence: Regents Press of Kansas

Knorr, K. (1975) The Power of Nations
New York: Basic Books

Knutson, J. (ed.) (1973) Handbook of Political Psychology
San Fransisco: Jossey-Bass Publishers

Lyon, P. and B. Tomlin (1979) Canada as an International Actor
Toronto: Macmillan

Milbrath, L. (1967) "Interest Groups and Foreign Policy", in
J. Rosenau (ed.) Domestic Sources of Foreign Policy New York:
Free Press

Morelli, F. (1976) Canada and the Middle-East unpublished MA thes
Paterson School of International Affairs, Carleton University

Nolan, M. (1978) Joe Clark: The Emerging Leader
Toronto: Fitzhenry

Northedge, F. and M. Donaldson (1971) International Disputes:
The Political Aspects London: Europa

Pearson, L. (1973) Mike: The Memoirs of the Right Honourable
Lester B. Pearson Toronto: University of Toronto Press

_____, (1970) Words and Occasions
Toronto: University of Toronto Press

Presthus, R. (1973) Elite Accomodation in Canadian Politics
Cambridge: University Press

Protheroe, D. (1980) Politics and Trade
Toronto: Institute for Research on Public Policy

Reford, R. (1968) Canada and Three Crises
Toronto: Canadian Institute of International Affairs

Said, A. (1977) Ethnicity in United States Foreign Policy
New York: Praeger

Stairs, D. (1971) "Public and Policy-Makers: The Domestic
Environment of Canada's Foreign Policy Community"
International Journal Winter 1970-71

Stein, J. (1977) "La Politique étrangère du Canada au Moyen-
Orient: stimulus et réponse", in P. Painchaud (ed.) Le Canada
et le Quebec sur la Scène Internationale Montreal: Presses
de l'Université du Quebec

Thordarson, B. (1972) Trudeau and Foreign Policy
Toronto: Oxford University Press

Trice, R. (1976) Interest Groups and the Foreign Policy Process:
United States Policy in the Middle-East Beverly Hills: Sage

Troyer, W. (1980) 200 Days
Toronto: John Wiley

Truman, D. (1951) The Governmental Process
New York: Knopf

Van Dusen, J. (1972) "Jerusalem, the Occupied Territories, and
the Refugees", in M. Khadduri Major Middle Eastern Problems in
International Law Washington: American Enterprise Institute
for Public Policy Research

END

2 4 1 2 8 1 1

FIN