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China is coming on strong

Prime Minister Justin Trudeau made his first official visit to China in early September and sealed many a deal. But he didn’t go for the big prize, namely the launch of negotiations for a free-trade agreement between Canada and China. That came in late September with a visit by Premier Li Keqiang, during which the leaders vowed to begin discussing free trade, along with other announcements, including setting canola and beef trade disputes, finalizing plans to build a nuclear reactor in China and establishing a new Montreal-Shanghai air route.

Our multi-part package begins with a look at Canada-China relations, which some observers claim have taken a big step forward with these visits. We also have stories on China’s troubling foreign policy, its daunting domestic policy, its aggressive moves in the South China Sea and a feature on “Big Daddy Xi” — Xi Jinping — the man at the helm of it all. To round it all out, Diplomat staff photographer Ülle Baum travelled to western China last year and wrote a story on the Silk Road Economic Belt Initiative, an ambitious project that aims to link China and Central Asia to Europe and the Baltics.

Further in our Dispatches section, we travel to Africa, specifically Tunisia, which Fred McMahon visited in May. He reports on its fragile progress toward democracy. Meanwhile, Africa columnist Robert Rotberg asks whether Africa can maintain its current rate of growth given what’s happening economically elsewhere in the world.

This packed issue — our biggest yet at 136 pages — also includes a feature on diamonds — how they’re mined, what they’re worth and why they fascinate us. In addition, our publisher, Donna Jacobs, travelled to Ukraine earlier this year and reports from Kyiv what she calls an “ongoing Russia-assisted civil war.”

Former MP and human rights activist David Kilgour has written a story on Turkey, a country that is fast losing the respect of the west as its leader, Recep Tayyip Erdoğan, moves to more autocratic behaviour. The jailing of journalists is well known in Turkey and we also learned in August of the jailing of Tuncay Babali, the former Turkish ambassador to Ottawa. The Middle East Forum reports that he was fired 11 days after the failed coup in Turkey and he was jailed in late August as a result of allegations that he was involved with it. His supporters are calling on the Turkish government to prove he is guilty or let him go. We will keep an eye on this situation.

Finally, in Dispatches, Wolfgang Depner pens a piece on the world’s stateless people. The ones we hear about — the Tamils of Sri Lanka and the Kurds of Iraq — are among them, of course, but Depner lists eight others as well.

Up front, columnist Fen Hampson writes about how globalization is under siege by nationalism, xenophobia and protectionism, all of which we’ve seen in recent months in Europe, North America, Asia, Latin America and Africa. We also have an interview I did with Foreign Minister Stéphane Dion and trade winds articles by the ambassadors of Turkey, Argentina and Venezuela.

Our Delights section features George Fetherling’s column on books on Winston Churchill, who, it turns out, was a shopaholic, and former foreign minister Bill Graham’s memoirs. Food writer Margaret Dickenson investigates the cuisine of Iceland; wine columnist Pieter Van den Weghe takes us to Prince Edward County and residents writer Margo Roston visits Portuguese Ambassador Jose Fernando Moreira da Cunha. To round things out in the back, Moldovan Ambassador Ala Beleavschi offers her best tips for enjoying a wine-soaked tour of her country. Enjoy!

Jennifer Campbell is editor of Diplomat.
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Globalization as a bad word

By Fen Hampson

Globalization — defined as the free movement of goods, services, capital, people, ideas and information, which is supported by the values of neoliberal institutions — is under threat by the forces of virulent nationalism, xenophobia and protectionism. These forces are prevalent everywhere — in Europe, North America, Asia, Latin America and Africa. As countries erect new political and economic barriers to globalization, we may well witness the onset of a new “Dark Age” marked by a deeper kind of cultural, economic and political deterioration — a 21st Century equivalent to the saeculum obscurum that Italian scholar Francesco Petrarca observed in post-Roman, early medieval Europe.

The early warning signs are already here. The U.K.’s vote to leave Europe is a clear demonstration that the European Union (EU), which has provided unprecedented prosperity and political stability to Europe after the great wars of the last century, is in danger of disintegrating. Brexit was a rejection of nanny state regulations by a Brussels bureaucracy that has become bloated and lost its essential purpose, plus fears about lax control of migrants and Middle East refugees to the EU. Worries about the lack of sovereignty and/or democracy also resonated with British voters.

Although the exact terms of Britain’s departure have yet to be negotiated — and some Europeans, such as German Chancellor Angela Merkel, have already hinted that some kind of “associate status” for Britain may be in the cards — Europe’s future now hangs in the balance. Brussels is also deeply unpopular with voters in France and other European countries. France’s right wing leader, Marine Le Pen, is a champion of a Frexit. Deep-rooted structural fiscal imbalances continue to plague the stability of the Eurozone. Italy’s banks are teetering and Grexit is still a real risk if Greece doesn’t get its fiscal house in order.

Another manifestation of discontent with globalization is the rampant anti-free trade, anti-immigration rhetoric of the American presidential election campaign, which is igniting a political firestorm whose flames may be difficult to quash after the election is over. The recently-concluded Trans-Pacific Partnership (TPP) free-trade agreement with Asia will almost certainly be a casualty regardless of who gets elected. Both presidential candidates, Republican Donald Trump and Democrat Hillary Clinton, oppose it. Even the longstanding North American Free Trade Agreement (NAFTA) could fall victim to populist protectionist impulses. Both presidential candidates have expressed deep misgivings about NAFTA and Trump has said he would tear the agreement up.

Much of the support behind Brexit was driven by the desire to stem the flow of refugees from Calais, shown here in what’s called the “Calais jungle.”
The surge of refugees into Europe from Syria and Iraq was prompted by the feckless U.S. “light footprint” response to ISIS. Only the Russians and the Iranians have a clear strategy and the will to pursue it. The West has neither. NATO’s backflip on Afghanistan to keep troop levels stable is just another example of “too little, too late” and is unlikely to succeed.

Europeans and Americans now want to erect barriers to curb the flow of migrants and refugees across their borders. The most fanciful is Trump’s proposal to build a wall across the entire southern U.S. border with Mexico. Europe, which has been deluged with millions of refugees from the conflicts in Syria, Iraq and North Africa, is now forcing many of them back. Passport and border patrols are also being reintroduced in many of the Schengen countries on a temporary basis. Much of the support behind Brexit was driven by the desire not just to stem the flow of refugees from Calais, but also the hundreds of thousands of Poles who have moved to the U.K. in search of rosier employment prospects and now fill jobs that many Britons can’t or won’t do.

The anti-globalization narrative is also central to the extremist appeals of groups such as the Islamic State and the nationalist messages of propaganda and hate of autocratic leaders in countries such as Russia and Iran. They have successfully used the Internet and other media to propagate their message beyond their borders to incite violence and conflict.

In the emerging-market BRIC countries, which were the direct beneficiaries of globalization when commodity prices were buoyant and there was strong global demand for their exports, globalization is wrongly blamed for a wide litany of economic and other ills that are rooted in deficiencies in local governance and endemic corruption. Brazil, for example, used the resource boom to line the pockets of politicians, subsidize consumers and support inefficient state-owned enterprise. There are clear parallels between Brazil and Russia, where oligarchical elites rule the economy.

Some countries, such as China, are also pursuing policies that could lead to a fragmentation of the Internet. China’s President Xi Jinping has championed that “cyber sovereignty” and an Internet governance model suggests countries have the right to choose how they develop and regulate their internet. By censoring or blocking content and restricting the flow of information, countries not only compromise free speech and human rights, they also compromise a powerful instrument for communication and the dissemination of knowledge, ideas and information.

It is important to separate the real deficiencies of globalization from populist rhetoric and the dangerous half-truths propagated by demagogues and dictators alike.

The reality is that globalization has produced many benefits. Extreme poverty in the world has been reduced. Without globalization, 400 million Chinese would still be living in abject poverty. Life expectancies worldwide have increased with rising living standards and access to modern medicine. Infant mortality rates have also dropped. More and more people are able to travel as a result of rising incomes and standards of living. Almost half the world in now online and another billion will soon follow. The Internet is not just an instrument for social communication, but also a critical vehicle for commerce, innovation and the exchange of knowledge, accounting for $6.3 trillion U.S., or eight per cent of global GDP, in both direct value and productivity gains as of 2014.

In the 1990s, globalization helped emerging countries become more competitive. Financial deregulation benefited many, allowing major new infusions of capital and credit to stimulate growth and development. Although globalization has contributed to the spread of disease and pandemics because of the ease with which people can travel across borders, globalized governance systems have also permitted a much more rapid response to pinpoint the origins of diseases and quell their spread, as in the case of Ebola and SARS.

But it is also undeniable that globalization has created social instability and a new class of winners and losers. On the losing side of globalization are blue-collar and middle-class workers who have lost their jobs to low-wage countries — what some refer to as the “Ricardian disadvantage.” (David Ricardo was the economist who invented the theory of comparative advantage to explain why countries trade with each other.) Increasingly though, labour market dislocation is also being driven by new technologies, such as Uber’s application, which have had more of a displacement effect than reduced trade barriers.

A succession of major economic crises has accentuated these divisions. The financial crisis of 2008-09 and subsequent bailout of Wall Street was widely seen as having rewarded bankers and investors for their profligate ways at a time when many people were losing their homes and jobs. Political and business elites in North America and Europe are widely seen as being out of touch and self-serving.

That same sentiment extends to political institutions, which lack transparency and accountability. As former British prime minister Margaret Thatcher exclaimed many years ago, “I want my money back!” because she was not convinced that the EU was spending the hard-earned monies of British taxpayers wisely.

The other reason anti-globalization populism is on the rise is because there is a political leadership vacuum, especially in western democracies. Globalization has few champions in either the business or political communities. When Donald Trump rails against the evils of the TPP or NAFTA, the business community has generally chosen to remain silent. Clinton, who should know better from her many years in office, is also kowtowing to the voices of protectionism. It is not clear what she actually believes or what she would do to promote trade, investment and economic growth if she wins the White House. We can only hope that German Chancellor Merkel, who is Europe’s only real leader, perhaps aided by British Conservative Prime Minister Theresa May, whom some see as the new Thatcher, will
fill the vacuum. Alas, the United States is headed into a big ditch of class warfare and presidential-congressional deadlock regardless of who wins, with racial issues becoming more incendiary by the day.

A coherent, collective strategic vision about the future and how to address the yawning governance and accountability gap between elites is desperately needed. The former director general of the World Trade Organization, Pascal Lamy, said it well when he urged delegates at the 2016 annual meeting of the Cercle des économistes in Aix-en-Provence to start thinking about a more benevolent model of globalization. Practically speaking, though, such a model must compensate losers, cushion the impact of rapid technological change, allow those who have been adversely affected to adjust and integrate into new economic realities and put citizens at the heart of innovations in governance where there is a focus on both individual and collective responsibility at every level. Such a model must also extend to the private sector where employers, employees and shareholders share responsibility and take joint ownership of their future.

However, it will take more than empty rhetoric and lofty-sounding promises to realize this vision. Ironically, reactionary forces on the left and right are offering a similar vision to stop change. Alas, they are winning the hearts of voters who want to look through the rearview mirror. Real forward-looking leadership is not about papering over the cracks and throwing a bit of money here and there. It is about developing a set of policies that are consistent with neoliberal values and that do not try to stop change, but rather adjust to it. Because nobody has the answers, it will also take frank dialogue to figure out what kinds of social and economic policies are required to adjust to new realities.

Lamy is, of course, correct. For the past decade and even longer, western countries, in particular, have been far too focused on the short term and the narcissism of small differences among themselves as they jockey for advantage. We need ambitious strategies that look ahead, defend the interests of the west vis-à-vis the real enemies of globalization, such as ISIS or demagogues such as Vladimir Putin, and which promote a common, inclusive vision that rallies the public and restores confidence in an open global economy where commerce and the free flow of ideas and knowledge flourish.

Fen Hampson is a Distinguished Fellow and Director of the Global Security & Politics Program at CIGI. He is Chancellor’s Professor at Carleton University.
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Canada’s Foreign Minister Stéphane Dion

‘It’s important to be an interlocutor for peace’

Stéphane Dion is an academic-turned-parliamentarian who was first elected to represent the Montreal riding of Saint-Laurent in 1996. He has served as president of the privy council, minister of intergovernmental affairs and minister of the environment and became leader of the Liberal party for two years, beginning in 2006 after then-prime minister Paul Martin’s electoral defeat and resignation. He stayed on as leader in opposition. During that time, he challenged then-prime minister Stephen Harper’s leadership and attempted, unsuccessfully, to bring down his minority government. He has been Prime Minister Justin Trudeau’s foreign minister since November 2015. He spoke with Diplomat’s editor, Jennifer Campbell.

Diplomat magazine: You’ve been foreign minister for nine months now. If you look around the world today, what are the top five places of most concern for the Canadian government?

Stéphane Dion: That’s a very tough question right off the bat. The world is not in good shape. When you look around the world, it’s hard to imagine a better place to be than Canada. I would have difficulty pinpointing just five places. Europe has its problems; the U.S. has a strange election; Brazil, as we’ve seen, has youth problems; Africa has many challenges and, in Asia, there are a lot of tensions, including in the South China Sea. It’s hard to imagine a place in the world right now that doesn’t have problems.

DM: Do you see Canada’s Operation IMPACT in Iraq as peacekeeping?

SD: It’s not classic peacekeeping since we are in conflict with a terrorist group that has been able to have an army of its own and to conquer cities and villages. We are freeing these towns, one by one. But we are doing this in training the local fighters because we decided we would not fight directly in this country. [The fighting] must be done by the Iraqi people themselves, but we are part of a coalition. We have decided that Canada will provide training, advice, intelligence services and transportation. We are very effective and we should be proud of our men, women [in uniform] and [our] civilians who are working there for Canada.

DM: The government of Stephen Harper was an unabashed supporter of Israel, which many said caused Canada to lose its United Nations Security Council seat, because of backlash from the Middle East. How do you strike a balance on Israel?

SD: For me, it’s not a matter of balance. We strongly support Israel, but to support Israel is to look for peace for every-
one. The status quo is not sustainable, neither for Palestinians, nor for Israelis. We need to find all the possibilities to convince both parties to come back to negotiations and to find a solution. The difference between us and Mr. Harper is that Mr. Trudeau will never be reluctant to say that the status quo is not sustainable. It is not healthy for Israel or Palestine.

DM: What role can Canada play there?
SD: I think it’s important to speak to all the legitimate forces there — to be an interlocutor for peace, a very effective peace-builder. That’s what we’re trying to do. [Canada participated in ministerial meetings on the Middle East peace process in Paris in June.] In the meantime, Canada must be there for humanitarian support, for education, and we need to look at the issue of water management. Canada has a lot of expertise to offer. Israel is very well known for their expertise as well. So there are partnerships that can develop — much more than we have today. There is a potential we need to exploit in a more effective way.

DM: Canada and the U.S. are the world’s largest trading partners. More than $670 billion US in goods and services were traded in 2015. Are you concerned about the U.S. election? Both candidates have said they’ll renegotiate NAFTA, and neither likes the Trans-Pacific Partnership.
SD: We have some trepidation about that, of course. Not only do we have a stake, but in many places in the world, there’s a sense that protectionism is more entrenched than it has been. We think it’s a mistake. Canada is a trading nation. We believe in trade. We are ready to explain that to the Americans. We think that it would cost a lot of jobs and economic activity if we were to weaken our economic dealings. We need to cooperate on security, but also for the economy. It’s the same for Europe. As you know, we’ve appointed my friend, Pierre Pettigrew [an MP from 1996 to 2006, who held several ministerial positions, including foreign minister] as our special envoy to convince the Europeans to ratify [the Canada-EU trade agreement.] So we are strongly voting for open markets with the U.S., with Europe and we will work with the next U.S. administration to be sure that this will be the case.

DM: Even if it’s Donald Trump?
SD: We’ll work with the president that our American friends choose.

DM: You’ve talked about opening doors to countries such as Russia. You’ve stated that sanctions are important, but that dialogue is also important. Can you explain a little bit about your strategy when it comes to expansionist Russia?
SD: It’s not my strategy, it’s that of NATO and our allies. Everybody is doing that, except Canada in the past — but not anymore. All of the NATO members are collectively making sure we have strong deterrence against the behaviour of Russia that is unacceptable, but at the same time, [seeking] strong dialogue in order to avoid the escalation.

DM: What is this strong deterrence?
SD: At the Warsaw Summit, the Alliance took important decisions to boost security in and around Europe, including the deployment of an enhanced forward presence in Eastern Europe. Canada announced it will take on a leadership role and lead a robust multinational NATO battlegroup in Latvia, becoming one of four framework nations, as part of the Alliance’s enhanced forward presence. This is part of the modernization of NATO’s deterrence and defence posture. The ultimate goal of deterrence is to avoid conflict. By showing resolve, NATO Allies aim to dissuade potential adversaries from using military means instead of diplomacy. In order to protect NATO Allies and preserve European stability, NATO will stand united and ready to respond to threats from all directions.

When I became the minister of foreign affairs, all my counterparts were asking me to ‘please, come with us and speak to the Russians. If you don’t speak to the Russians, you’ll never be relevant. You won’t be able to help Ukraine, you won’t be invited to the table, including in Syria.’ It’s not because I agree with [Russian President Vladimir] Putin, or the prime minister agrees with him. It’s precisely because we disagree that we need to have strong dialogue. Canada will never recognize the illegal annexation of Crimea. Canada has been explicit in its condemnation of Russia’s past acts of aggression, but also on areas where we think dialogue can lead to improvements for us, for Ukraine and for global security. Deterrence and dialogue is our approach as one of the four framework nations, and it is our bilateral approach as well. It is important that allies remain united against Russian aggression towards Ukraine. When we are at the table, we can hold individuals to account, push for action and press for change. Engagement takes many forms and we are going to pursue every avenue in the cause of peace and stability.

DM: So that’s the long-term plan?
SD: Yes, and we’ll continue to go for sanctions. Canada is very strong on sanctions and we insist, with our European friends, that we keep them. They’re only effective if they’re collective. If we do it together with our NATO partners, then you have positive results. In March [2016], we
added new individuals and companies to the sanctions list, in co-ordination with our allies.

**DM:** Canada’s been criticized for not being principled enough on China. How do you respond to that?

**SD:** I think what happened under Mr. Harper is that — as the prime minister said — it was a lack of consistency. One day they were open to everything with China and the day after they were closed to everything. Hot and cold — this is not effective. Trudeau travelled to China in late summer to restart the Canada-China relationship and discuss the possibility of a free-trade agreement.

In order to have a very coherent policy with China, you need to have consistency. So, of course, we’ll engage with China on trade, about education, people-to-people [exchanges], tourism, climate change, the environment, what we do together for peacekeeping in Africa, for example. They are there; we are there. We cannot ignore each other. It would not make sense. But at the same time, we will push for the rule of law. We will say to our Chinese friends, ‘If you want Canadian investors to feel comfortable in your country, give them the rule of law, otherwise, they will be concerned about their investments.’ I will tell them [that if they] want more exchanges with our universities, respect the freedom of [academics], otherwise it’s very difficult to have scientific exchanges. If you don’t engage with China, you will lose the opportunity to make progress on human rights there.

**DM:** Will Canada make a statement on the recently released organ-harvesting report on China by human rights activists David Kilgour and David Matas? [Matas is an immigration and human rights lawyer; Kilgour is a former MP and federal immigration and human rights lawyer; their report alleges that Chinese hospitals are conducting far more organ transplants than the country admits. They suggest the government is getting organs from prisoners of conscience.]

**SD:** I am very pleased that we have different views in Canada, including those from my former colleague. We’ll look at that. It’s a point of view, but there are other points of view. Recently, there was a very interesting paper explaining polls in China, how they see their own country, what they see as [areas] for improvement. I’m very pleased that David [Kilgour] is making his point and we are looking at that with a lot of seriousness.

**DM:** So you’ll address it?

**SD:** We take seriously all of the efforts that are [seeking] a better understanding of China. We have a pluralistic view about China in Canada and it’s important to have different voices. We are taking all of these views into account. Canada continues to urge China to adhere to their human rights obligations. I have expressed, directly to China’s foreign minister, Canada’s interest in strengthening our relationship with China on a range of issues, including human rights.

**DM:** Going back to the late spring, what was your reaction to Brexit?

**SD:** We said before the polls that we thought it would be better to keep the EU together and we were very positive about the role the U.K. has played in the EU. The U.K. was divided, but we’ll watch how the EU and the U.K. negotiate. In the meantime, we are saying to the EU, if you want to show that you’re able to move ahead, well, ratify the trade agreement with Canada. If you don’t ratify with Canada, with whom will you ratify? It’s important to show the EU that they are able to move ahead after Brexit. The U.K. supports the agreement and is still part of the EU and when we know more about the agreements between the U.K. and the EU, it will be a chance to strengthen our links even more — because they’re already strong — with the U.K.
One thing that I think is very likely is that Canada will have a trade agreement with the EU before the U.K. leaves the EU.

DM: You have quoted Ban Ki-moon on the rise of xenophobia in Austria; it’s happening elsewhere in Europe, too. What can Canada do about it?
SD: Canada has a lot of responsibilities about that because Canadians elected a prime minister who said ‘If you vote for me, you will not have less refugees, you will have more;’ a prime minister who said to Canadians, ‘Our strength isn’t in spite of our diversity, but because of it.’ So we are the opposite of this kind of xenophobic populism that we see everywhere. And if he is the most popular politician on this planet, it’s not only because of his charisma, it’s mostly because of his message and that message says, ‘Don’t be afraid of the diversity of others, the diversity of humanity is an opportunity to go forward, to learn something, to improve yourself.’ This message of respect for our differences is something the prime minister is promoting around the world and for me, as minister of foreign affairs, it is very inspiring to work under the leadership of Justin Trudeau.

DM: So Canada is leading by example?
SD: It’s leading by example and it’s suggesting that maybe it will work in their own countries. Yesterday, I was with a politician from another country — I won’t name the country. He’s campaigning to be the leader of his country and I told him we’d noticed he was campaigning in favour of rule of law. I told him we did this and we won. I told him not to compromise. Why would it not be true in that country that diversity is a strength and not a threat? I see in the eyes of my colleagues that they are inspired and that maybe they can invent their own Canada in some ways.

DM: You talk about Canada’s international role as being in places where there’s a requirement for engagement. Can you speak to that statement with a couple of actual examples of where that’s happening and how effective it is?
SD: We have a bid to be on the Security Council at the United Nations. In the past, Canada has been very [disengaged] at the United Nations and there is a request everywhere for us to be back. On peace operations, we have been almost nowhere for a long time. There is [a request] from many countries for us to come back and support them and offer...
I spoke about the challenge of water. Water is a huge problem around the world, especially because of climate change, but not only because of that. There are countries in Africa that haven’t seen rain in years and they’re asking us to help them manage their water system.

DM: One of the early controversies you dealt with was the arms deal with Saudi Arabia. Has that been politically damaging?
SD: If you don’t have any controversy as minister of foreign affairs, you are not doing anything. I’m not concerned about that. We’ve made the right decision. It was a decision announced before the election and you need to keep your word. We had given our word to respect the contract, but at the same time, we’ve said that the export permits will be reviewed with a lot of vigour and more transparency and that’s what I’m doing. We have said we will be part of the arms trade treaty. In June, I announced that we’d table a bill to be sure that Canada will be part of the Arms Trade Treaty before next May. We have prioritized the necessary internal legislative reviews to expedite accession to the treaty. We’re also ensuring that the export control system is delivered with more rigour and transparency than has ever been the case in the past.

DM: What’s the best real-world example you can name that would clearly illustrate your desire for what you call responsible conviction?
SD: When you don’t like something, you don’t pull out, you work harder to make it better.

DM: OK, but where are we doing that?
SD: We are doing that everywhere. We are not happy with the United Nations all the time, it’s not a perfect institution to say the least, but we don’t get out because of that — we go there. We don’t like the government of Russia and we don’t like the way they behave with their neighbours, but we decided to have an intense dialogue with them instead of pulling out. We don’t like the government of Iran, but to be out of Iran is not the way to serve Canadian interests and to be helpful to our allies. So we will be back in Iran.

Canada’s severing of ties with Iran had no positive consequences for anyone: not for Canadians, not for the people of Iran, not for our allies and not for global security. Our strategy of engagement is a
Stephane Dion visited Latvia in July. Meetings focused on Canada’s commitment that it will lead a robust multinational NATO battlegroup in Latvia.

harder path than that chosen by the previous government, but if we want to make real progress in the promotion of human rights and the security of our friends and allies, it’s the only way forward. Engagement does not mean that we agree with Iran’s policies, but it does establish a pathway towards dialogue, regional security and economic opportunity. The lifting of sanctions is one step in the process of re-engagement and is in lock-step with the actions of our allies.

Responsible conviction means that along with your convictions, you have a sense of responsibility. If you have convictions without a sense of responsibility, you can’t have a rational and effective foreign policy. The consequences of your [actions] and declarations on other human beings must be positive — otherwise, don’t do it. So it’s a big departure from the former government of Canada and it’s well-timed. It’s not true that it means that you don’t then have convictions. It means that if you have to choose between different convictions, the [decision] will mean taking into account the consequences of your choices. We’ll be principled, we’ll have strong convictions and one of them is a sense of responsibility.

DM: I realize time is short, so let’s do a lightning round of key issues. I’m looking for short answers. Let’s start with Ukraine.
SD: Canada is strongly supporting Ukraine. Ukraine is the victim of aggressive behaviour from Russia. The Minsk Agreement [to halt the war in the Donbass region of Ukraine and signed by Ukraine, Russia, Donetsk and Lugansk], must make progress. If we don’t have progress on the implementation of Minsk, a year from now, we’ll have the same stalemate with more people killed in the meantime. It’s very important to see Minsk moving ahead.

DM: China’s territorial ambitions in the South China Sea?
SD: It’s time for everyone, including China, to accept and respect the code of conduct. To negotiate, and, in the meantime, when you don’t have solutions about the negotiations, you agree to disagree and agree to have acceptable behaviour with no aggressive initiatives. It’s very important for China and all parties involved to respect the code of conduct.

DM: The behaviour of China’s foreign minister, Wang Yi, in Canada?
SD: I had a private conversation with him after and I will not say more.

DM: Were you hard on him?
SD: I will not say more. I think it’s these kind of problems that will be solved outside the media, in order to avoid escalations that may be damaging for Canadian interests.

DM: Taiwan’s future?
SD: I think it’s something that must be solved between Taiwan and China, with-

out any military threats. As long as the people of Taiwan won’t be part of China, I hope everybody will respect that.

Taiwan is not a country that we recognize, as you know. But, we think that the current situation must be respected and if there are ways to improve the relationship between China and Taiwan, it must be done peacefully.

DM: Canada does support Taiwan in a number of ways, unofficially.
SD: We trade with Taiwan. We have a lot of Canadians who are of Taiwanese origin, so there are people-to-people relationships and we’ll continue to have those. But there are no diplomatic relations with Taiwan as a state because it’s not a state. It’s up to China and Taiwan to solve this situation peacefully.

DM: Canada’s relationship with Iran?
SD: We are trying to create a relationship with Iran that will be more effective for Canadian interests. Lots of Canadians that are of Iranian origin have found it difficult — students, families, business. We are trying to improve the relationship and we are insisting on seeing if this government will be more respectful of human rights, stop having relationships with terrorist groups and stop being a threat for our allies, including Israel.

DM: Tunisia as a fledgling democracy — how does Canada support that and help it spread?
SD: I like that you’re ending with Tunisia, because we’ve spoken about a lot of negative situations around the world. Tunisia has the potential to be a positive story. It’s not the case right now as the economy is shaky, but this country is courageous. They have chosen democracy, they are starting to have functional democracy, so Canada must be there to support that. We have strong links with the French language. It’s very important to be in countries that are collapsing, such as Syria and Iraq, but the countries that are fighting to not collapse deserve our support, too. We also have links with Jordan and Lebanon and we are looking at what we can do for Tunisia as well.

During my visit in Tunisia last May, I committed to increasing Canadian support to the Tunisian people so that their country can be successful in its democratic transition and prosper in that direction. As such, we have already announced additional assistance to fight terrorism and favour greater participation of women in the country’s public and political life. [1]
In June 2016, Claudia Medina was one of four women recognized by the Senate of Canada for her work as a human rights defender in Mexico. The following day she spoke at a press conference on Parliament Hill, calling on Prime Minister Justin Trudeau to raise Mexico’s urgent human rights crisis in his talks with Mexican President Enrique Pena Nieto, who was in Ottawa on an official visit. Her voice helped ensure the plight of thousands of women, who are severely affected by Mexico’s grave human rights crisis, would be less easily overlooked on the international stage.

Four years earlier, though, her words would have been stifled under the weight of injustice without the solidarity of human rights activists around the world who spoke out on her behalf. In August 2012, Medina was abducted from her home by officers of the Mexican navy who detained her on trumped-up charges and subjected her to strangling, electric shocks and sexual torture. She endured this illegal detention for 23 days before she was freed on bail after being tortured into signing a “confession” to crimes that she did not commit.

Throughout her ordeal, thousands of Amnesty International supporters in Canada and around the world demanded justice on her behalf, as they do for many others in Mexico, Canada or anywhere else. Upon Medina’s release, she still faced two years of legal battles to clear her name of the unfounded charges levelled against her, but she felt comforted and empowered by the solidarity she experienced. Speaking in Canada before some of the very same activists who stood by her during her darkest hours, she offered words of encouragement and thanks. “I would not be here today,” she said, “without your support.”

Fifty-five years ago, the founder of Amnesty International, Peter Benenson, launched a similar human rights campaign. In 1961, he penned a newspaper editorial calling on members of the public to write letters to governments demanding justice for forgotten and wrongfully detained prisoners who were left to languish in jail cells around the world. People responded in droves and the editorial was reprinted in newspapers around the world. A global movement was born, and at its centre was the unswerving belief that every person’s voice has meaning in the global struggle to promote and protect fundamental human rights.

Today, more than 300,000 people in Canada, and more than seven million worldwide, support Amnesty International’s vision for a global community built around a framework of respect and protection of universal human rights. Together, we speak out and stand up; through the media, online activism, public demonstrations and — like the organization’s founder — good old-fashioned letter writing. Building on our early focus on prisoners of conscience, Amnesty International has lobbied on the world stage for hard-won progress on human rights related to torture, women and girls’ rights, indigenous rights, migrants and refugees, ending the death penalty, corporate accountability, protecting civilians in armed conflict and access to justice.

But much work remains to be done — not least of all in Canada. Over the past decade, Canada’s domestic human rights record and global human rights standing fell into serious and deeply troubling decline. Calls for an urgently needed commission of inquiry on missing and murdered Indigenous women were stonewalled for years. Canada has left crucial international human rights treaties unsigned or unratified. There has been a lack of action to curtail human rights violations by Canadian companies operating abroad. As a result, the weight of Canada’s voice in credibly demanding progress from others on crucial issues was diminished.

Amnesty International Canada is working to help accelerate the encouraging recent progress on what has been a stalled human rights agenda at home. Doing so is of importance not only to Canadians, but also to the entire global community that may benefit from Canada’s reinvigorated engagement toward advancing a human rights-driven agenda internationally. As the case of Claudia Medina makes so clear, everyone’s voice is powerful when used to demand respect for human rights for the betterment of all. It is the mission of Amnesty International Canada to support, empower and stand with them on that journey.

Alex Neve is the secretary-general of Amnesty International Canada.
The ambassador agreed to host the fête for several reasons, not least of which was the fact that the embassy hadn’t done so for a while.

“It had been several years since this charity event took place at the embassy of France,” said Ambassador Nicolas Chapuis. “Considering the quality of the orchestra and its contributions to the cultural life of the capital and the country, we hosted the 2016 Fête Champêtre at the orchestra’s request.”

Chapuis said the event, which often takes place in the diplomatic residence’s garden and always attracts well-hatted symphony supporters, went well.

“The reception was a great success and the guests were delighted,” he said.

Event organizer Snookie Lomow said this was the organization’s 28th annual Fête.

“Not too many events in Ottawa have survived that length of time and are still a strong attraction,” she said. “We had more than 300 guests who helped us raise more than $25,000 and for this, we are truly grateful.”

The money raised will help support the orchestra’s concert series at the National Arts Centre and some of it will go towards educational outreach programs. For example, the orchestra has a program for Grade 5 and 6 students to introduce them to symphonic music twice a year. It showcases classical music to 700 students at a time. It also includes a mentorship program through the University of Ottawa. Lomow said the latter is unique in North America.

“All graduates from the University of Ottawa music program get to audition to perform for the OSO as their first step in performing with a professional orchestra,” she said.

Lomow added that the symphony has had a long-standing relationship with the French embassy, which has now hosted three such occasions in the 13 years she’s been involved with the event.

“We were delighted that they agreed to hold this year’s fête and they were very gracious hosts, given the current level of security required.”

She said guests who attended enjoyed traditional French canapés, including foie gras, as well as Champagne. They also enjoyed the opportunity to see the embassy’s lavish rooms, she said. “They are some of the most beautiful in Ottawa.”
Since President Mauricio Macri took office in December 2015, his government has made important changes to stabilize the business environment for local and foreign companies in Argentina. It has corrected macroeconomic imbalances, lifted capital controls, devalued the Argentine peso, reduced import regulations and removed most export taxes.

Concurrently, Macri has taken steps to restore the Argentina National Statistics Agency. He has re-established a mature dialogue with the International Monetary Fund and has concluded agreements with most of Argentina’s creditors, allowing the country to resolve its sovereign debt default.

Argentina needs to be connected by road, rail and airports. To this end, Macri has launched the Belgrano Plan, which is a power infrastructure plan for the northwest of Argentina. For example, in terms of extending the railway lines, the government has announced an investment project to integrate 3,800 kilometres of tracks between the northwest and northeast of the country, at a value of $5.35 billion US. The Belgrano Plan as a whole seeks a global investment of $16 billion US.

In terms of renewable energy, Act 27 191 aims for the consumption of renewable energy to reach eight per cent of total national consumption of electric power by 2018. That number will jump to 20 per cent by 2025.

Moreover, in the energy sector, Argentina has vast oil and gas resources with exploration and exploitation opportunities. For example, our country has the fourth-largest unconventional reserves of oil in the world and the second largest in natural gas.

In terms of Canadian companies established in Argentina, there are approximately 31 businesses, many of them in the mining sector. Nevertheless, there are also Canadian-controlled subsidiaries in the agro-industrial sector (fertilizers, processed foods, livestock, dairy and fish products) as well as in energy (mainly oil and gas), printing and telecommunications, to name a few.

Canadian imports from Argentina are based primarily on precious metals (85 per cent) and wine (eight per cent). In 2015, Argentina exported $1.87 billion worth of goods to Canada.

The top-10 products are: gold in unwrought form, wines, silver in unwrought form, crude petroleum oils, oils obtained from bituminous minerals, casein, silver ores and concentrates, lead ores and concentrates, medium density fibreboard and pears.

Argentina is one of the world’s largest exporters of beef. In 2015, my country fulfilled all sanitary requirements and Canada officially opened its market to Argentine fresh and frozen boneless beef. Argentina has a worldwide reputation in this field and Canadians are looking forward to purchasing Argentina’s beef in their local supermarkets.

Argentina also has many premium wines and is interested in introducing them to Canada. Malbec is a red wine grape that is already much appreciated by Canadian consumers. Argentine wineries are ready, as well, to introduce other types of grape varieties such as Bonarda, Cabernet and Viognier, which have had a tremendous success in such markets as the U.S. and Europe.

At the same time, Argentina is working closely with the Canadian Food Inspection Agency to obtain a sanitary certificate for poultry in 2016. This will allow us to export premium poultry, free of Newcastle disease, to Canada.

Marcelo Gabriel Suarez Salvia is ambassador of Argentina to Canada. Reach him by email at ecana@mrecic.gov.ar or by phone at (613) 236-2351.

Argentina: More than beef and wine grapes
Turkey is a rising economic powerhouse and a strong emerging force in the global economy. Today, Turkey is the 18th-largest economy in the world and sixth-largest in Europe, with a GDP of about $720 billion US. Turkey boasts highly developed technological infrastructure in the transportation, telecommunications and energy sectors, a strong domestic market and a competitive private sector. Implementation of strict regulatory and supervisory regulations on banks and financial institutions provides a buffer against external shocks. The Turkish economy also registered a notable recovery following the global economic crisis and has expanded by more than four per cent on average since 2010. Unlike the economic plague described as “jobless recovery,” growth in Turkey translated into millions of new jobs.

Despite the bombing by DAESH (ISIS) at the Istanbul international airport, the attempted coup and the humanitarian crises in Syria, Turkey should continue to be among the OECD’s fastest-growing economies. The last 29 quarters have witnessed uninterrupted growth.

In 2014, the volume of Turkish exports increased to $158 billion US and the total trade volume accounted for $400 billion US. Turkey aims to be among the top-10 economies in the world with a $2 trillion US GDP, $25,000 GDP per capita and $500 billion in exports by 2023, the 100th anniversary of the founding of the country.

Economic relations between Canada and Turkey have always been solid and balanced. However, a closer look trade for the previous years reveals there is much more room for improvement. Turkey-Canada bilateral trade peaked at $3 billion Cdn in 2014 and currently stands at $2.6 billion. Turkish exports to Canada include a mix of precious metals, trucks and tractors, medicine, marble and tiles, as well as hazelnuts. Hazelnuts constitute the biggest export item to Canada, which exceeded $100 million US in 2015.

Hazelnuts are followed by trucks and tractors. Turkey is the 17th-largest automotive manufacturer in the world and exported $63 million US in exports to Canada in 2015. Unwrought gold is another important export item from Turkey, which has 840 tonnes of gold reserves and gold potential calculated around 6,500 tonnes, making it potentially the second-ranked country in the world in terms of gold reserves. Canadian mining companies did not miss the opportunity to invest in Turkey’s robust mining sector and now more than a dozen successfully operate in Turkey.

Canada’s top export items to Turkey are lentils, durum wheat, bituminous coal, iron ores and wood pulp. Canada’s agricultural exports to Turkey made a record jump in recent years, with lentils alone reaching $290 million US. Bituminous coal is the second-largest export item, totalling $65 million US in 2015.

Canada’s global markets action plan has named Turkey a top emerging market with broad Canadian interests. Export Development Canada has identified Turkey as a strategic market of opportunity for Canadian firms. A 2009 air transportation agreement paved the way for 15 direct flights from Toronto and Montreal to Istanbul operated by Turkish Airlines, as well as Air Canada.

Turkey is one of the fastest-growing energy markets in the world, according to our ministry of energy and natural resources. It is estimated that the total primary energy demand in Turkey will more than double by 2025. In order to meet such immense growth in demand, the estimated amount of investment will reach $125 billion US. This provides opportunities for Canadian firms to invest in Turkey, where we aim to build 20 nuclear reactors, fully exploit our hydro potential and construct solar, wind and geothermal plants.

Turkey is the commercial hub of the region. Foreign companies have been using Turkey to access the EU market as well as for business opportunities throughout the Balkans, Central Asia, the Caucasus and the Middle East. The total amount of foreign direct investments in Turkey since 2002 has reached $165 billion US — and $16.8 billion US in 2015 alone. A prevention-of-double-taxation agreement, signed by Canada and Turkey in 2009, has created an environment that is more conducive to bilateral investment. Exploratory talks on a modern and comprehensive free-trade agreement were successfully completed in 2013. The launch of negotiations awaits a decision by the Canadian government to bring economic and commercial relations to the desired level.

Selçuk Ünal is ambassador of Turkey to Canada. Contact him by email at embassy.ottawa@mfa.gov.tr or phone at (613) 244-2470.
Venezuela: Open for investment

By Wilmer Omar Barrientos

he Venezuelan Orinoco Oil Belt is the biggest source of oil reserves in the world, with proven reserves of 272 billion barrels of crude spanning an area of 55,314 square kilometres in the country’s Guárico, Anzoátegui and Monagas states.

If you consider all of the oil-producing projects in our country, we have a grand total of 301 million barrels of crude and 201,349 cubic feet of proven natural gas reserves, which makes us the leading energy power worldwide.

The Orinoco Oil Belt, our great oil and mineral reservoir, hosts five companies, including Petrocedeno (Total and Statoil), Petropiar (Chevron), Petromonagas (BP), Petrolera Sinovensa (CNPC) and Petromacareo (Petrovietnam). Venezuela’s state-owned company (PDVSA) holds 60 per cent ownership while the rest of these companies have a 40-per-cent share.

The Siembra Petrolera Plan establishes oil industry guidelines and policies for foreign investment up to 2030. Some remarkable outcomes from the above-mentioned plan include agreements reached between PDVSA, the Italian oil company (ENI) and the Spanish oil company (Repsol), for development of the Cardón IV Bloc, located in the Gulf of Venezuela, in the northeastern peninsula of Paraguana. Another example is the $500 million US agreement between PDVSA and the Russian state-owned company (Rosneft) for the development of natural gas projects in Campo Mejillones and Patao from the offshore Mariscal Sucre Project.

Recent data provided by PDVSA, and certified by accounting firm KPMG, show the extraordinary economic potential that Venezuela holds in terms of energy for investors all over the world. During 2015, the daily production reached 2.9 billion barrels of crude, and the average exportation rate was 2.4 billion barrels of crude per day, positioning PDVSA worldwide as the fifth most important company in the oil and gas sector. Despite the fall of crude prices to $44.65 per barrel during 2014 and 2015, PDVSA reported profits of $72 billion, its assets were valued at $202 billion, and equity was valued at $91 billion, while investing was valued at $17 billion in the publicly owned portion of the sector.

Two-way trade between Venezuela and Canada reached $681 million during 2014. The energy sector alone yielded $323 million in 2013. Canadians should be aware that Venezuela has opened the doors of the Orinoco Oil Belt and the Mining Arc Project, calling on international investors and the renowned Canadian energy sector.

The Mining Arc Project is a mega-project geared towards national and foreign investment, intended for the quantification, certification and exploitation of minerals found in more than 40 blocks already outlined. Data supporting Venezuela as an attractive and unique space for international investment are the following:

• Current gold production in Venezuela is carried out mainly in six areas that contain gold resources with a degree of purity ranging from 18 to 23.52 carats.
• The untapped gold potential in Venezuela could exceed 4,000 tons.
• Within the Orinoco Mining Arc, there are five diamond mining areas: Icabará, Guri, Bajo Caroni, Guaniamo and Santa Fe. In the San Antonio de las Alisas of Guaniamo alone, resources are equivalent to 33.8 million carats in diamonds.
• Within the Guayana region of Venezuela, “kimberlite” stones that are unique to Latin America and which often house diamonds, can be found.

Venezuela ranks sixth in terms of iron ore reserves, with 3,000,600 tonnes of proven resources. Through certification of new possible reserves and probable reserves, there is an estimated 8.7 million tonnes and 2.3 million tonnes respectively, which could position Venezuela as the country with the second-largest reserves of this particular mineral.

The Venezuelan State offers attractive terms for investors. We offer renewable exploitation periods of 20 years. International companies are welcome to join any part of the supply chain of the mining business. The business model for the exploration and exploitation of gold and other strategic minerals in Venezuela provides for the establishment of joint ventures and mixed companies. The Central Bank of Venezuela will be the recipient of all gold production and will be in charge of converting it into currency, to ensure a return to investors. And finally, the Orinoco Mining Arc Project grants participating companies preferential financing.

To conclude, I would kindly invite our readers to obtain more information about investment in our national energy sector through our commercial experts or by visiting our embassy in Ottawa.

Wilmer Omar Barrientos is the ambassador of Venezuela. Reach him by email at assistant.ambassador@misionvenezuela.org or by calling 613-235-5151.
The Audi A6

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In a period when oil prices were high, Norway has been able to transform oil in the ground into financial wealth. Today, the Government Pension Fund Global is one of the world’s largest sovereign wealth funds. By investing abroad, leaving capital in the fund untouched and limiting annual spending in the national budget to four per cent of the fund’s capital, Norway has managed its oil wealth to the benefit of its people today while at the same time providing future generations with a share of the wealth. One day, the oil will run out, but the returns on the fund will continue to benefit the Norwegian population for generations to come.

The investment strategy and management framework for the fund do not represent a universal ideal, but rather they reflect the political and ideological context in which the fund operates. Strong support from the Norwegian population and broad political support for this budgetary rule are imperative to staying firmly on course. The largest part of Norway’s revenue stems from the mainland economy, not from oil and gas, but it’s still important to make sure the large oil revenues do not result in complacency. The Norwegian government, therefore, makes the public sector more efficient, reduces red tape and bureaucracy, cuts the overall tax level and stimulates innovation to ensure a smooth transition to a new and less oil-dependent growth model.

In the beginning
Oil was discovered on the Norwegian side of the continental shelf in 1969 and production began in 1971. It took about 10 years before the government’s oil revenues became substantial.

Today, Norway makes petroleum resources important to the Norwegian economy; moreover, their revenues give us fiscal leeway that sets us apart from most other countries.

The idea of a petroleum fund was proposed as early as 1983. Over the years, the idea matured and in 1990, the parliament passed an act establishing the Government Petroleum Fund. However, the first transfer of approximately $307 million was not made until six years later. Since then, the fund has grown rapidly and was, in June 2016, valued at more than $1,150 billion. The value has increased steeply for many years, but it flattened recently due to low oil prices. It currently stands at almost three times the mainland GDP.

Sustainable spending
The aim of the fund is twofold: first, to ensure that petroleum wealth benefits current and future generations and second, to shelter the domestic economy from overheating due to oil-financed demand.

Norway has done a unique job of preserving its oil wealth for future generations.
Consequently, all state petroleum revenues are transferred to the fund and invested abroad. This helps shelter the domestic economy and the exchange rate from the volatility of petroleum revenues.

The budget rule guides how much the government should use from the fund to finance government spending. It specifies that transfers from the fund to the national budget shall, over time, follow the expected real return on the fund, which is estimated at four per cent. But it also allows for a flexible response to prevailing economic conditions. In periods of high economic growth, spending is less than the long-term target. In periods of economic downturn, spending exceeds the long-term target. It shelters fiscal policy from oil price volatility and uncertainty.

**Investment strategy**

Parliament has given the overall responsibility for management of the fund to the ministry of finance. The operational management has been delegated to the central bank, which makes investment decisions on a purely financial basis and independently from the ministry.

The overarching objective for the investments is to achieve the maximum possible return, given a moderate level of risk. This enables more social programs to be financed over time by the return on the fund.

The fund is invested globally with the following strategic asset allocation: 60 per cent equities, up to five per cent in real estate. The residual is in fixed income. At year-end, 2015 investments are spread across 75 countries and 47 currencies, and more than 9,000 companies, including 253 from Canada.

The strategy implies that the fund is a financial investor with relatively small ownership stakes in a large number of companies worldwide. The fund is not allowed to own more than 10 per cent of any single company in the equity portfolio. The ministry reports to parliament on all important matters related to the fund. Transparency is important to Norwegians.

**Ethical guidelines**

Norwegians want assurance that the fund’s capital is invested in accordance with responsible investment practices. The public’s strong feelings on this issue led to the establishment of ethical guidelines for the fund in 2004.

The ethics council was established the same year, making recommendations on how to apply ethical guidelines in specific cases. The ownership department of the central bank focuses on a number of strategic areas, three of which are related to good corporate governance and three of which are related to environmental and social issues, including children’s rights, climate change and water management.

The government believes, over the long run, that sound financial returns depend on sustainable development in economic, environmental and social terms. Several instruments promote the fund’s role as a responsible financial investor. Exclusion of companies is one of these instruments.

A total of 91 companies are excluded from the fund under the product-based criteria — 18 of them have been excluded on the basis of production of weapons that violate fundamental humanitarian principles in their normal use, while 21 are excluded for producing tobacco. More recently, according to new guidelines introduced early this year, the fund withdrew from 52 companies mining coal or producing coal-based energy. Other relevant companies that may come under the coal criterion will be analyzed over the course of this year. An additional 29 companies are excluded under conduct-based criteria, 17 of them because they were deemed to cause severe environmental damage.

**Challenges ahead**

Norway has healthy government finances, relatively low unemployment and has seen years of high economic growth. However, our economy also faces challenges ahead.

Over the next decades, government spending linked to an aging population will increase rapidly. Total petroleum production already peaked in 2004 and will play a less important role in our economy in the future.

The rapid rise in public pension expenditure and a concurrent decline in oil and gas revenues represent a challenge to public finances. This underlines the need to save a large part of current oil and gas revenues while prices are high. The fund will help Norway finance the expected increased spending on an aging population. In addition, Norway also has an ambitious reform agenda for the private and public sectors, including reforms to infrastructure, tax reform for growth and requirements on efficiency improvements in the public sector. The Norwegian government is working to ensure a smooth transition to a new and less oil-dependent growth model.

Anne Kari Hansen Ovind is Norway’s ambassador to Canada.
In spite of Chinese aggression in the South China Sea and its questionable human rights record, Canada has engaged with the country under Prime Minister Justin Trudeau.
Liberals’ China dilemma

By Robert D’A. Henderson

During the 2015 federal elections in Canada, the Liberal Party platform spoke of building up the Canadian middle class. One of the ways it said it would do that was by forging greater trade relations with emerging markets, including China. But, during the Munk Centre foreign policy debate between the Liberal, Conservative and NDP leaders, there were no questions dealing with China.

While there were foreign policy questions to debate about the United States, Syria, Ukraine and others, the lack of any China questions was reportedly due to the fact that all three parties supported increasing trade with China, though each also expressed concerns about its human rights record.

The Trudeau legacy

Following his election win in October, Prime Minister Justin Trudeau began his first round of diplomatic travel as Canadian prime minister by attending the November 2015 G20 Summit in Antalya (Turkey). On the margins of the summit, he met with Chinese President Xi Jinping, who praised the vision of Trudeau’s father, Pierre, who, as prime minister, established diplomatic relations between Canada and the People’s Republic of China in 1970. This leaders’ meeting so early in Trudeau’s mandate was seen as evidence that he would give a priority approach to “deepening Canada’s economic relations in Asia,” and specifically with China.

From then on, there have repeatedly been media reports that the Trudeau government was doing a major review of Canada’s China strategy with regards to political relations and trade policies. During former prime minister Jean Chrétien’s private business visit to Beijing in April, Chinese Premier Li Keqiang stated that Canada-China relations could again be entering a golden era. And this could include talks on a bilateral free-trade agreement and even Canada seeking membership in the newly formed China-led Asian Infrastructure Investment Bank (AIIB) in a second membership round.

A disastrous press conference

In June, Chinese Foreign Minister Wang Yi made an official — though on short notice — visit to Ottawa. He stated that Canada and China were headed for a “new golden age” in country-to-country relations. He also referred to Pierre Trudeau as a friend of China for establishing those early diplomatic ties, and noted the gains made by former Liberal prime ministers Jean Chrétien and Paul Martin. But he made no mention of former Conservative prime minister Stephen Harper, who, during his near decade in power, was seen as having cooler relations with China. Harper did make a state visit to China in 2012 when he signed a Foreign Investment and Protection Agreement (FIPA) — though his government only ratified this FIPA accord in September 2014.

Following their private talks in the previously unannounced initial Canada-China Foreign Affairs Ministers’ Dialogue, Foreign Minister Wang and Foreign Minister Stéphane Dion held a joint press conference at Global Affairs Canada’s Lester B. Pearson Building.

Unfortunately, following a Canadian media question to Dion, Wang made an angry outburst criticizing the Canadian reporter who had asked the agreed pool question on human rights in China, the detention of Canadian Ken Garratt and Chinese activities in the South China Sea. He stated in the press conference that the reporter was “irresponsible” and said her question was “full of prejudice against China and arrogance.” After the press conference — reportedly at Wang’s insistence and in a breach of diplomatic protocol for meeting a head of government — Wang had a meeting and photo opportunity with Trudeau at his parliamentary office.

This public Chinese criticism of a Canadian journalist doing her job of asking serious questions — though limited to one pool question and one secondary question — resulted in a nationwide rebuke for the Chinese foreign minister’s disrespect for Canadian democratic practices, principles of freedom of the press and the Canadian people in general.

Questioned later about Wang’s disastrous press conference, Trudeau offered a weak public response that his government had made Canada’s “dissatisfaction” over Wang’s outburst known to China. Within days, Chinese Ambassador Luo Zhaohui issued a press release further talking about this, but the two countries signed 56 trade deals worth $1.2 billion. From left, Foreign Minister Stéphane Dion, Trudeau and Xi Jinping.

After his visit to China, Prime Minister Justin Trudeau announced that the two countries signed 56 trade deals worth $1.2 billion. From left, Foreign Minister Stéphane Dion, Trudeau and Xi Jinping.

...
release that stated there was “nothing more to add.”

**Ministerial mandate letters**

Following his majority election win, Prime Minister Trudeau issued ministerial mandate letters with his expectations for each assigned portfolio. He designated Stéphane Dion as foreign minister in the newly renamed Global Affairs Canada — formerly the Department of Foreign Affairs, Trade and Development. As part of Trudeau’s foreign affairs political team, Chrystia Freeland was named minister of international trade. Despite the setting out of specific policy guidelines in these made-public mandate letters, there was little mention of China. The foreign affairs mandate letter called for a restoration of “constructive Canadian leadership in the world and to advance Canada’s interests.” It only specifically mentioned the United States. In the international trade mandate letter, the main goal was to “increase Canada’s trade and attract job-creating investment to Canada, focusing on expanding trade with large, fast-growing markets, including China and India, and deepening our trade links with traditional partners.”

**Prospects for a free-trade agreement**

In a January interview with the *Globe and Mail* in Ottawa, Han Jun, China’s vice-minister of financial and economic affairs, stated: “If there is an FTA arrangement between China and Canada, you can see a flooding of potash, agricultural products and energy products from Canada to the market of China.” However, Han said, China had its own demands, namely the removal of restrictions put in place by the former Conservative government on Chinese state-owned investments in Canada’s oil and gas sector and a commitment to build an energy pipeline from the Alberta oil fields to the Pacific Coast.

In 2015, Australia and China signed an FTA that had taken 10 years to negotiate, but gave China wider access to Australia’s mineral deposits and other natural resources. With suggestions that a Canada-China accord could be patterned on the Australian agreement, the Canada-China Business Council has estimated a free-trade agreement could double Canadian exports to China by 2030 and create an additional 25,000 Canadian jobs. But Chinese state-owned enterprises (SOEs) are a special concern as their policies and actions — unlike private corporations that are seeking profitability — can have profit-related and political objectives.

Not surprisingly, in the aftermath of the Chinese foreign minister’s outburst, Trudeau stated in a June 20 *Vancouver Sun* interview: “I don’t think an FTA with China is something to rush” during his current term, which goes to 2019.

**Canadians’ view of China trade**

In an October 2015 Asia Pacific Foundation of Canada (APFC) national opinion poll on the Trans-Pacific Partnership and free trade agreements, a majority of Canadian respondents were against a free-trade agreement with China, with 48 per cent opposed and 42 per cent in support. Similarly, a February 2016 NANOS-*Globe and Mail* poll noted that Canadians have a very negative impression of the Chinese government and were narrowly opposed to a free-trade deal. In that poll, 76 per cent had a negative or somewhat negative view of the government of China, compared with only two per cent positive and nine per cent somewhat positive views.

On the issue of a free-trade agreement, Canadian public opinion was narrower, with 47 per cent opposed or somewhat opposed and 41 per cent in support or somewhat in support.

These poll results suggest the Trudeau government will need to convince the Canadian public that such trade agreements with China will not lead to cuts in Canadian jobs, as well as undercut national intellectual property rights and environmental standards.

Yet, in a June 2016 C-Suite Survey quarterly of the views of Canadian corporate leaders, more than half surveyed wanted trade with China broadened and felt that Canada’s current trade relationship was too restrictive. And 78 per cent would support a free-trade agreement with China if it were negotiated in the next five years.

**The way forward**

In the months since, Trudeau’s Liberal government reportedly began a Canada-China policy review behind closed ministry doors. Over the same period, academics, journalists, think-tanks, lobbying groups and others have publicly offered a variety of policy options and recommendations.

But there is a major dilemma for this China policy review, namely that there has been a continuing decline in the Canadian public’s views on China’s political leadership, particularly since June’s public outburst by the Chinese foreign minister. Despite these continuing negative views, Canadian business leaders still are seeking to broaden trade relations with China, even calling for the start of FTA talks.

Nevertheless, as founding APFC president John Bruk has pointed out in an online opinion piece (OpenCanada.org, June 15, 2016), this China policy dilemma would suggest the need for a national debate on the way forward.

**Postscript**

Prior to the G20 summit, Trudeau announced the signing of 56 trade deals with China worth $1.2 billion ($980 million US) and that Canada would be applying for membership in the China-led Asian Infrastructure Investment Bank (AIIB).

The AIIB governors’ board is likely to decide on new members in early 2017, and the size of Canada’s investment share would be decided at that time. In addition, Trudeau and Premier Li reached a last-minute temporary halt to China’s decision to block Canadian canola shipments over its demand for only one per cent dockage (foreign matter), down from the current 2.5 per cent. China is Canada’s largest canola buyer. With totals estimated at $2 billion in export earnings, 87 per cent of China’s total canola oilseed imports come from Canadian farmers.

On the prospects for a Canada-China FTA, Premier Li is reported to have stated that there was agreement on the need to launch feasibility studies on such an agreement “at an early date.” But Guy Saint-Jacques, Canada’s ambassador to China, noted that “there’s no agreement to proceed with exploratory talks” on an FTA at this time as there were Canadian concerns about labour and environmental issues as well as the role of Chinese state-owned enterprises (SOEs).

Robert D’A. Henderson is a retired professor of international relations who currently does international assessments and international elections monitoring. Among his recent writings is “China — Great Power Rising,” in the Routledge Handbook of Diplomacy and Statecraft (London and New York).
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China’s Marxist-Leninist Communist Party came to power under chairman Mao Zedong on the promise of building a radically equal and just society in China. More broadly, the Chinese Communist Party promised to be the instrument of China’s national revitalization as a great power, drawing on its glorious ancient history as a magnificent civilization.

In the end, China’s Marxist-socialist planned economy was a failure. By the 1980s, China’s state socialism was replaced with Chinese state capitalism. But China has maintained its Leninist “police state” political and social institutions. China’s party state is actively hostile to liberal democratic values of citizenship with inherent entitlement to human rights. The national legislature is a rubber stamp that only meets in one full session for 10 days annually. The media and internet are ruthlessly censored. The judiciary serves at the whim of the one-party state without due process of law.

Connected to the lack of free press, rule of law and parliamentary oversight, there is pervasive corruption, increasing year by year, at all levels of political authority. This has been accompanied by an ever-growing gap in wealth between the Communist rich and super rich elite and the rest of the population, most of whom still struggle just to get by. Desperate poverty continues to be prevalent in the interior of China west of the major coastal cities. And after 35 years of sustained high rates of growth, the Chinese economy is faltering.

The Communist revolution has not fulfilled its promise to engender a good and just society in China. But the Chinese Communist Party continues to hold state power. Unfortunately, it is abundantly clear that China’s state capitalistic Leninism without Marxism has been reduced to sustaining itself through the politics of national socialism with its appeals to ethnic pride, race and the Motherland. It wasn’t supposed to turn out that way. Chairman Mao must be rolling in his grave.

But opinion polls indicate that China’s Communist Party regime continues to enjoy high levels of support among Chinese people as it has successfully positioned itself as the vehicle for China to achieve global prestige, influence and power in the 21st Century.

Furthermore, the party is able to counter popular discontent with its domestic policy shortcomings using high-volume propaganda that rallies Chinese people to mobilize against threats to China’s sovereignty by belligerent foreign forces. It is a dual strategy of simultaneously captivating patriotic pride by the glowing promise to restore China’s historical greatness, while, at the same time, engendering a sense of crisis of national sovereignty by a discourse of extreme hostility of the west and one suggesting Japan is conspiring to derail China’s virtuous rise to power. Both aspects resonate strongly with the very deeply felt nationalistic sentiment of ordinary Chinese citizens.

China fabricates 1,300 hectares of land
Shortly after he assumed office in 2012, Chinese President Xi Jinping proposed to the United States that it should acknowledge China as an equivalent great power and establish what the Chinese authorities dubbed “a new kind of major power rela-
In Chinese state capitalist terms are more about international politics and China’s national security and global strategy than they are about beneficial reciprocity based on mutual concessions.

Building new institutions

The Asian Infrastructure Investment Bank (AIIB) was recently conceived by Beijing as a counter to such U.S., European and Japanese-led institutions as the World Bank, the European Bank for Reconstruction and Development and the Asian Development Bank. China, as the largest stakeholder in the AIIB, sees this institution as a way to exert influence across the region, drawing on the bank’s planned $100 billion capitalization. Among the AIIB’s first four funded projects are improvements to a highway between Tajikistan and Uzbekistan. This would be part and parcel of China’s Silk Road Economic Belt proposal whose focus is on infrastructural connection and co-operation between China and the rest of Eurasia.

The scope of the Silk Road Economic Belt proposal extends from Central Asia and Russia to Europe as well as to West Asia through the Persian Gulf to the Mediterranean. This hugely ambitious scheme, if implemented entirely as proposed, would cost about $8 trillion (see a story on this on page 56). Leaving its long-term feasibility aside, the concept of China leading a global infrastructure project wherein all roads lead to Beijing is a great boon to the prestige of the Chinese Communist Party among its people, thus engendering patriotic pride that compensates for the popular discontent associated with the domestic shortcomings of the Chinese Communist regime.

But China’s expansionist ambitions have led East Asian nations to strengthen their defensive alliance with the United States. The proposed Trans-Pacific Partnership agreement excludes China while increasing the integration of the surrounding economies that have signed on to it. In addition, China’s enabling of the dangerous North Korean regime has increased support for the proposed Terminal High Altitude Area Defense, a U.S. anti-ballistic missile system proposed to be stationed in South Korea to counter Pyongyang’s Torks, SCUDs and Nodong missiles. China is, needless to say, very much opposed to it.

In 2017, it can be anticipated that under Xi, China will continue to aggressively re-assert its great-power national uniqueness by flouting international regimes, including explicitly rejecting governance norms as defined by the UN’s covenants on human rights and national sovereignty. It can be expected that there will be more incidents involving seizure and persecution of foreign nationals of Chinese ethnicity and increasing PRC subversive interference with democracy activists in Hong Kong and Taiwan.

As its economy continues to falter, it can also be expected that there will be more emphasis placed on pursuing China’s interests through cyber-espionage and by security agencies seeking to influence critical foreign decision-makers to speak for China’s interests in western nations and throughout the world.

As part of its comprehensive rise to power, China will continue to attempt to acquire critical infrastructure through the activities of state-owned enterprises currently active in countries great and small throughout the world.

The People’s Republic of China devotes significant resources and expertise to pursuing its interests through its foreign policy. Unfortunately, for the most part, western nations have not put sufficient resources into responding to the challenges and opportunities that China presents. China is coming, but are we ready?

Charles Burton is an associate professor of political science at Brock University in St. Catharines and was a counsellor at the Canadian Embassy in Beijing between 1991 and 1993 and 1998 and 2000.
Xi Jinping is the most powerful Chinese leader in a generation. Not since Deng Xiaoping retired more than a quarter century ago has any Chinese leader been able to centralize such control in his hands and exercise undisputed leadership over the Communist Party, the Chinese government and the People’s Liberation Army.

Yet, Chinese are deeply divided over his leadership style: many are enthusiastic, symbolized in an online pop single called I Want to Marry a Man Just Like Big Daddy Xi or massed choirs singing his praises at a $600-a-ticket event at the Great Hall of the People. But many others are uneasy, not only over his cult of personality, but also about the ideological revival that he has sponsored. To some, it has too many distasteful overtones of the cult of Chairman Mao Zedong and the Cultural Revolution, during which hundreds of millions suffered, including Xi’s own beloved father, Xi Zhongxun, a founding revolutionary.

Xi has pledged to bring about “the Chinese Dream,” in which China would emerge as a moderately prosperous country by the centenary of the Communist Party’s founding in 2021 and would find its place among fully developed countries by the centenary of the founding of the People’s Republic at mid-century. He aims to eradicate absolute poverty by the first centenary and give all a prospect of middle-class life. Still, many policies promoted by Xi are paradoxical and controversial.

Since coming to power in 2012, he has overseen an unprecedented campaign against corruption in the party’s ranks. Tens of thousands of party officials have been disciplined for offences as varied as lavish banqueting, misuse of official cars and keeping mistresses, as well as more serious crimes, such as accepting bribes, selling job promotions in public offices and even covering up murder. He has vowed to punish both “tigers” and “flies” with dozens of senior party officials, including former members of the standing committee of the Politburo (the party’s highest decision-making body) and the central military commission (the party organ that controls military command) sentenced to life in prison.

Mixed views on anti-corruption
Despite the Schadenfreude Chinese feel at the discomfiture of the arrogant and privileged, many complain that the campaign is neither comprehensive nor systematic and some even dismiss it as factional manoeuvring. Others point to the bureaucratic paralysis the campaign induced, leaving officials reluctant to take initiative for fear of offence. To be fair, the campaign has transformed the notorious bureaucratic ecosystem in a number of sectors and regions, such as the coal-mining province of Shanxi and the state-controlled oil sector, as well as disentangling and amputating the tentacles of the party’s infamous security supremo, Zhou Yongkang.

Xi came to power in the midst of a wrenching economic transition. To accomplish this transition, China’s leadership must take on some of the vested interests that hamper reform. Xi views reasserting control over the Communist Party...
as the key to his reform efforts. Having exhausted the advantages of catch-up industrialization, China enters a new normal of more moderate economic growth, slowed by a demographic transition that sees a smaller cohort entering the labour force and fewer people migrating out of the underemployed agricultural sector to seek jobs in the cities. At the same time, China battles headwinds in global trade caused by the economic slowdown in vital markets in Europe and the emerging economies. Added to this are the overhang of debt, overcapacity and inventory bequeathed by China’s overambitious stimulus and investment strategy to reflate the economy after the 2008 global financial crisis.

To deal with this, China must refocus growth on growing consumption, based on growing incomes. However, higher wages hobble China’s export competitiveness, exacerbating the challenges in the trade sector. For this, Xi proposes “supply side reform,” building a competitive economy based on innovation, dismantling burdensome regulation and creating a decisive role for market supply and demand in determining how things are produced and how much to produce. As enticing as these reforms sound, they run counter to the political line that Xi has pursued, centralizing control in the Communist Party and emphasizing ideological control, decreed that the media must belong to the Communist Party and must conform to its policies, promoting “Marxism for the 21st Century.” Given these contradictions, the reform of state-owned enterprises has not been thorough and capital has not flowed freely into the more dynamic private sector. Furthermore, foreign enterprises complain about discriminatory practices and a hostile environment.

Loading down the economy is debt, much of it contracted by ambitious municipalities that have planned housing for more than 3.4 billion people in China’s satellite ghost towns, as well as by underperforming state-owned steel mills and cement factories. China boasts 50 per cent of world steel-making capacity at a time of languishing demand. Overcapacity raises the threat of massive layoffs, undermining business confidence and social stability. The silver lining in this picture is in the environment. In 2014, China’s coal production seemed to have peaked, raising the possibility that its carbon emissions will also peak and that absolute reductions will begin earlier than anticipated in the 2013 bilateral agreement with the U.S. and in the Paris climate agreement negotiated last December.

**Flight of capital from China**

Chinese have reacted to the “new normal” by drawing down more than $1 trillion US of China’s foreign exchange reserves since the end of last year. One quarter of China’s reserves has gone abroad, ploughed into real estate throughout the world, most notably in Vancouver and Toronto. This is a reaction to slower growth at home, as well as protection against the declining exchange rate of its currency, the RMB. But it also reflects the personal insecurity of China’s new upper middle class. Skeptical of China’s rule of law, and uncertain whether the campaign against corrupt practices will prevent passing their wealth to their children, they take advantage of the rule of law and robust property rights in western countries to maintain their family wealth. The evidence was clear well before the “Panama Papers” revelations. Not surprisingly, Chinese officials complain that countries such as Canada shelter corrupt Chinese officials and their wealth. Chinese aver that all wealth in China was born in original sin and may be traced back to some shady deal, to stripping of state-owned assets or some sweetheart money-for-power exchange.

As Xi arranges his second five-year term after the 19th Party Congress in 2017 and prepares to name the heirs who will secure his legacy, he acts with supremely confident assertiveness. Abroad, he challenges Japan on China’s maritime claims in the East and challenges Southeast Asian neighbours over the nine-dash line defining China’s claims in the South China Seas. Canadians got a taste of this assertiveness when in May, China’s foreign minister, Wang Yi, dressed down a Canadian reporter in response to a question that wasn’t even directed at him at a press conference following a meeting organized to improve our relations with China. (Most Chinese academics I spoke with were dismayed by this blatant departure from the suave diplomacy exemplified by the late premier Zhou Enlai.)

Xi does not back down from challenging the U.S. in what he sees as China’s own backyard and is pursuing an ambitious plan to build a blue-water navy, able to project power beyond China’s shores. As the world’s largest trader and a major shipping power, China sees this as a logical move to protect its shipping lanes.

**China’s relations with the U.S.**

To this end, China is overhauling its military, not only building aircraft carriers and sophisticated submarines and surface ships, but also engaging in a far-reaching reorganization of the People’s Liberation Army, reducing the preponderance of ground forces and retiring more than 300,000 officers to build a more limber command structure capable of integrated air-land-sea operations using sophisticated information technology. While insisting on China’s core interests, Xi calls for a “new type of great power relations” with the U.S., where mutual accommodation and dialogue will replace confrontation and prevent the possibility of escalation to war between the status-quo power and its rising challenger. As much as China asserts its own interests, it contributes more peacekeepers to the UN than all the other permanent five members of the UN Security Council. In just the last few months, China has lost three peacekeepers in missions in Mali and South Sudan.

Xi’s tenure will either successfully adjust Communist Party rule to the globalized conditions of the 21st Century, or his failure will mark the last ditch effort to marry one-party rule to the needs of a modern society. Either way, the Chinese state will not likely collapse. The China that Prime Minister Justin Trudeau visited in late August faces challenges and uncertainty under an unusually powerful leader. Canadians must realize that although we differ in values and political ideology, China is more than its leader or its ruling party. The increasingly prosperous, educated and tech-savvy Chinese outnumber their hermsman and daily grow more independent of his whims, despite arrests of rights-defending lawyers and civil rights activists.

We can maintain our confidence in our own social model as the appropriate response to a globalized world while partnering positively with China. To be successful and maintain global influence in the 21st Century, Canada has no alternative but to gear our own economy to the stupendous flywheel of China’s economic growth. Trudeau can and should carry forward the legacy of his father, who recognized that a more open and prosperous China was essential to global prosperity and peace.

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Economic growth stood out for a long time as the big story coming out of China, concealing other aspects of its governance that were problematic, including environmental degradation, rising inequalities, worrying demographic imbalance, abuses of power, corruption and a poor record on human rights. For many years, the Communist Party answered critics of its poor environmental standards, rising income gaps, draconian birth control policies and human rights violations by countering that the country’s poverty alleviation represents an unprecedented achievement in human history in its scale and rapidity. As China enters into a delicate transition towards a consumer-driven pattern of development and its economic growth decelerates, these issues are likely to move to the fore.

China’s approach to growth has come at a very high cost for the environment. Air quality is deteriorating, and not only in Beijing. The indicators of the World Air Quality Index, generated in Beijing, describe China’s capital and dozens of other Chinese cities as “unhealthy,” “very unhealthy,” or “hazardous.” Greenpeace China reveals that the waters of the Yellow, Yangtze and the Pearl rivers are contaminated by industrial waste and are not safe for drinking. A joint report from China’s ministry of environmental protection and the ministry of land resources, released in 2013 stated that close to 20 per cent of the soil of arable land was contaminated. A major reason for these problems, until 2014, was that targets for economic
performance mattered more than concern for a clean environment in the promotion of cadres.

Economic growth is not spread equally; although current president Xi Jinping’s predecessor Hu Jintao sought to address the wealth imbalance between the countryside and the cities, and between the coastal provinces and those of the interior, social inequalities remain a major headache for Xi. Economic growth is not spread equally; although current president Xi Jinping’s predecessor Hu Jintao sought to address the wealth imbalance between the countryside and the cities, and between the coastal provinces and those of the interior, social inequalities remain a major headache for Xi. Although a rising middle class, whose numbers are estimated to equal the entire population of Japan, consumes on a level comparable to Canadians, many more Chinese, whose numbers are the equivalent of the whole African population, live in much more difficult conditions. Of these, the equivalent of twice the population of Japan lives in the cities as migrant workers, without free access to social services like their urban compatriots. China’s ethnic minorities, who total more than three times the entire population of Canada, have also seen economic growth as an attack on their traditional ways of life, and end up living in cities where they find themselves marginalized.

A rapidly aging population
Besides environmental degradation and social inequalities, China also faces demographic changes that are slowly evolving and may prove even more intractable in the long run. The aging of the population will affect the dynamism of the economy, while the skewed gender ratio of China’s population will increase social tensions. A combination of factors contributes to distorted demographics. For example, improvements in life expectancy, early retirement ages — men can retire at 60, women at 50 — the small number of children per family, regardless of the recently abandoned one-child directive means that the whole population of China will cease to grow in the next few years. Simultaneously, its workforce has already started to shrink while cohorts of older workers who have started to retire are becoming more populous. As a result, China sees a dramatic increase in the dependency ratio for workers and an end to what was known as the “demographic dividend” that has made its labour force so competitive.

A positive aspect of this social change is that Chinese workers have seen their bargaining position improved in recent years, as they have anticipated that major demographic change. Unfortunately, in this age of a globalized supply chain, this also means that many transnational corporations may relocate outside China, thereby leading to a rise in unemployment and risks of social unrest.

Addressing the challenges
Compounding the above problems are systemic issues of governance. Without any independent oversight except self-discipline, the Communist Party had long lacked an effective mechanism for self-correction. The clearest evidence of this problem is the admission by Party leader Xi himself that corruption represents a life-and-death situation for the CCP (Chinese Communist Party). There is evidence of reliance on criminal elements to help local governments enforce their directives and many cases of land transfer or state asset sale to individuals who benefit from their position in government. This often means forced evictions or firings from jobs without adequate compensation, revealing that abuse of power is rampant at all levels of government.

Although the media, from time to time, comment on the most egregious cases of these abuses, the means to redress them is constrained by a security apparatus that does not tolerate dissent. Under Xi, the campaign against corruption has gone hand in hand with a tightening of the surveillance of human rights lawyers, academics and any individual with influence in Chinese society who appears to represent a threat. The intellectual climate has narrowed and the repression against non-conformist thinkers has escalated. Moreover, Xi is encouraging a revisionist attitude towards the dark years of Mao’s rule: not only Xi himself concentrates power in his hands, but he promotes a view of history that departs from Deng...
Xiaoping’s narrative that the policy of reform and opening represented a break from the disastrous policies of Mao. Xi suggests that the policy of reforms deepens and improves on what Mao has achieved. This approach, which emphasizes continuity with the previous regime, extends far in the past, as Xi extols the greatness of Chinese culture and, in so doing, promotes an agenda that is nationalist.

A question of regime survival
These different issues all represent a major political problem of legitimacy for the regime. The deterioration of the environment leads many to question the merit of economic growth at all cost. For those who are old enough to remember the political campaigns waged in the name of socialism, the continued growth of inequalities since the beginning of reforms represents an unbearable affront to the sense of social justice they were told stood as the foundation of the existing political order.

Deng’s motto that some can get rich first was accepted because it was part of a belief in trickle-down economics. But after decades of reforms and an increasing gap in revenue throughout the country, many see socialist equality as a distant mirage. The aging population represents a more difficult challenge. It is a slow-moving phenomenon and it does not generate stories in papers the way industrial disasters or labour strikes do. Yet, it increasingly affects the livelihood of people, especially that of women, who are still looked at as the “natural care-givers” in contemporary CCP leaders wrongly believe that Mikhail Gorbachev’s reforms in the USSR led to the demise of the state.

THE ECONOMY IS STILL GROWING
Although China is in transition, according to Nicholas R. Lardy who presented these graphics at a spring conference in Ottawa, the Chinese economy is doing reasonably well and should grow by seven per cent in 2016.

Decline in Output of Industrial Products

Growth of Industry/Construction and Tertiary Industry, 1Q 2010 – 4Q 2015

The obstacles to reform remain daunting. Improving the air quality means confronting powerful vested interest groups in the oil and coal industry, for example. These groups, which are connected with relevant ministries in the State Council and in CCP provincial committees, have the ability to resist change imposed by the central government. Addressing social inequalities means undertaking fiscal measures that risk alienating the middle classes. The response to recent efforts by the central government to expand accessibly to higher education to students from poorer families illustrates the problem: parents from wealthy families refuse to give up what they see as their entitlement. Tackling the problem of aging means rethinking government expenditures, which is likely to meet resistance throughout the bureaucracy, because the expansion of social security for the elderly may either require tax hikes or cuts from the budget allocated to other ministries.

**Obstacles to reform**

The impediments to political reform are inside the CCP leadership, which fears losing control over the agenda. Moreover, powerful vested interests can block the fight for change. For example, there exists a growing understanding in China that the increase in the number of cars and the ongoing reliance on coal use are the primary causes of air pollution.

Most people are now aware that the fumes produced by car engines are a major source of pollutants and that car exhausts need to be modified to mitigate that problem — a change that requires
upgrades in fuel quality. The problem, up until 2013, was the refusal of the oil industry to pay the cost of that change, a major roadblock in the transition to cleaner energy. The reliance on coal represents another telling example. 

Although coal is clearly seen as one of the most important sources of air pollution, the efforts to rein in that industry have been lacking because of the importance of the coal industry in the economy of the province of Shanxi. The barons of that industry refuse to countenance closing coal mines because, they argue, doing so will lead to massive layoffs and will thereby increase risks of social unrest.

The greatest impediment to reform is, of course, the absence of opposition outside the CCP. There are no organized forces that can articulate political demands for reform. The satellite parties are toothless institutions and the NGOs and civil society work with the expectation that the security apparatus will do everything to make sure that they do not challenge the regime. The growing complexity of China since the beginning of reforms is partly responsible for this. The country faces social divisions and acute cleavages, on the basis of class, ethnicity and region. It is difficult to imagine a united front opposing the CCP in these conditions. Yet, the regime acts as if it fears an imminent breakdown.

There is little doubt that Xi Jinping and his colleagues still live under the shadow of the Soviet Union’s fall. The lesson they draw from that historical transformation is that the beginning of reform in the USSR under Mikhail Gorbachev has led to the demise of the state. Yet this comparison is flawed: the USSR had already experienced economic decline and stagnation when Gorbachev became leader. The CCP need not harbour that kind of anxiety: China still has some wiggle room because, although the rate of growth may diminish, it still represents one of the best economic performers in the world. The concerns over the breakup of China are also misplaced. The constituent republics of the former USSR represented a far larger proportion of its total population than the combined number of all national minorities in China.

What future direction for the CCP? There are four possible strategies for the leadership to address these challenges, by order of likelihood.

First, we may see a continued focus on stability and a hardening of the regime. Xi has repeatedly asserted his views and it is clear that he intends to take that line.
He blamed Gorbachev for having failed to support communism. The realization that the campaign against corruption generates some resistance may increase the likelihood of a more repressive regime, as Xi fears a backlash against his policies.

Second, it may decide to promote popular nationalism. This approach reinforces the above, but it comes with some important risks, which Xi has seemed willing to accept so far. These risks include exacerbating tensions in the region, such as claims in the South China Sea that pit China against the Philippines and Vietnam, quarrels with Japan over the Senkaku/Diaoyutai Islands, boundary disputes with India and irredentist challenges — those based on the boundaries of the Republic of China between 1945 and 1949 — to Taiwan’s sovereignty. All of these demands are generating expectations from nationalist extremists that the regime may not be able to meet. Chinese nationalism may further risk jeopardizing growth in the long run when other countries in the region start to push back.

A third option is incremental reform. The focus on stability does not exclude this possibility, but regrettably Xi has not shown any evidence that the hardening of his regime is a prelude to such an agenda of limited change. The abandonment of the controversial re-education through its labour system and the one-child policy directive may give the impression that the regime is embracing a program of reform, but in the context of repression against civil society, it is difficult to believe.

The fourth possibility is institutional innovation. A variant of the above, in this case the party decides to be more adventurous with reform and looks at examples of successful transitions wherein the ruling party remains in power following democratic elections. The Party could have considered this option as long as the KMT (Nationalist Party) demonstrated in Taiwan that in the context of free and fair election, a ruling party could keep a majority in the legislature and dominate the agenda — even after losing control of the presidency. But this scenario has become far less attractive now that the KMT is going through a process of decay following its recent loss to the opposition Democratic Progressive Party.

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China’s scientific rise

By Peter K. MacKinnon

In May 2016, Chinese President Xi Jinping set a target for China to become a leading power in science and technology (S&T) by the middle of this century. As he stated at the time: “China should establish itself as one of the most innovative countries by 2020 and a leading innovator by 2030, and become a leading global power by the 100th anniversary of the founding of the People’s Republic of China in 2049.”

Xi stressed the role of science and technology (S&T) as a foundation that “the country relies on for its power, enterprises rely on for victories and people rely on for a better life. Great scientific and technological capacity is a must for China to be strong and for people’s lives to improve,” he said, calling for new ideas, designs and strategies in science and technology.

Today, China ranks among the world’s most advanced countries in important fields of S&T, including high-performance computing. For instance, in late June 2016, Supercomputer 500, a highly respected annual global high-performance computing (HPC) survey, stated that China continued to maintain its lead in high-performance computer throughput; and that it set a new world record with its latest HPC machine called Sunway TaihuLight. This is the first Chinese HPC machine to be based entirely on Chinese-designed-and-produced semiconductor chips.

Simultaneously, China is in a major S&T transition from an earlier focus on quantity, measuring such factors as numbers of graduate students and scientific papers and citations, to a new thrust on enhancing quality with highly qualified personnel, and moving from breakthroughs in limited areas to a more broad-based approach aimed at contributing to the world pool of scientific and technical knowledge. For example, in July, the Chinese Academy of Sciences announced the initial testing of the newest and largest radio telescope in the world, which has a diameter of 500 metres. China is advancing in quantum theory and related experiments with the mid-August launch of a satellite designed to conduct quantum experiments in space and between Earth and space. Both these instruments are expected to make new foundational discoveries.

Between 2008 and 2014, China’s gross domestic expenditures on research and development (GERD), an internationally accepted metric on measuring a nation’s R&D intensiveness, rose by more than 20 per cent annually, greatly exceeding that of Canada and the U.S., and most other countries. China increased the ratio of GERD to GDP from 1.5 per cent in 2008 to 2 per cent by 2014. China aims to increase this to 2.5 per cent by 2020.

By 2012, the distribution of R&D activity across the Chinese economy was 76 per cent performed by business, 15 per cent by research institutes, and 7.6 per cent in the higher education sector. In Canada, by contrast, the business sector only contributed 44.4 per cent to national R&D expenditures, whereas the higher education sector contribution was significantly more than China’s at 41.1 per cent and the federal government S&T amounts to 19.6% of GDP.
per cent of the national total. China’s S&T strategy, programs and incentives are primarily provided by Beijing and the bulk of activities in S&T are under the auspices of the private sector, often in partnership with universities and other research institutes.

China is now the second-largest performer of R&D, accounting for 20 per cent of global R&D as compared to the United States, which accounts for 27 per cent. Just 30 years ago, China’s S&T contribution to global research and development was insignificant.

The table on page 50 illustrates the relative standing of China, Canada and the United States with respect to a number of standard S&T indicators as of 2014. Consider that in 2008, the U.S. GERD was nearly $300 billion more than that of China. By 2014, that gap had narrowed to less than $90 billion. Meanwhile, Canada’s R&D has remained flat over the same period at $24 billion annually.

The granting of university degrees in China has grown faster than in major developed nations, rising more than 300 per cent between 2000 and 2012. Today, China is the world’s biggest producer of research and development personnel. For example, between 2000 and 2012, the number of engineers and scientists more than doubled to nearly two million. However, the gap in the number of S&T personnel per 1,000 individuals is still wide between China and western countries.

The rapid rise and growth rate of Chinese S&T outputs is impressive. There has been a dramatic increase in the quantity of S&T publications over time (as seen on the graph on page 50.) When compared to world S&T publications, China’s output was 11.1 per cent in 2009 and reached 20.1 per cent by 2014, a nine-per-cent rise in just five years.

Premier Li Keqiang has promised to protect domestic intellectual property rights for all Chinese patent holders.

**Growth in Chinese patents**

China recognizes three classes of patent — invention, design and utility. Thus, the graph above illustrates the dramatic rise in the total number of patents filed and granted in China by domestic and foreign companies. In 2008, there were 400,000 patents granted in China to domestic and foreign companies. By 2012, the number of patents granted rose to nearly 1.4 million, a threefold increase in just four years.

Most domestic Chinese firms have granted patents in technology-intensive industries (e.g., information and communications technologies and life sciences). Firms such as Baidu, China’s search engine giant, and Huawei, a global telecommunications equipment supplier, represent examples of the leading edge in China’s high-tech industries.

China has gradually improved its intellectual property rights by revising laws and regulations and improving enforcement; but more of the latter is needed through courts, tribunals and increased domestic awareness about patent rights.

State-owned enterprises (SOEs), the relics of a past age of heavy industrialization, are frequently cited as being risk-averse and slow to react in the market. They play a minor role in conducting R&D. As a consequence, SOEs have limited intellectual property compared to private firms in China.

Early in March 2015, Premier Li Keqiang released a report linking entrepreneurship and innovation as drivers of the Chinese economy. In it, he promised to deliver measures that would protect domestic intellectual property rights for all patent holders, and to further open industries to global market competition. Concurrently, the report called for providing financial incentives for researchers to increase innovation and develop inventions.

This last point makes an important distinction between innovation and invention, as they are fundamentally different. Yet most government programs the world over fail to make this distinction by placing an overemphasis on the notion of innovation. There may well be some lessons Canada and others can learn here as this initiative unfolds.

**Looking ahead**

Despite its many S&T successes, there has been a pattern of ineffective use of national S&T resources despite years of five-year plans. This is primarily due to overlaps in various program objectives and incrementalism in program goals and processes. In addition, China continues to direct both the public and the private economy, and much of the country’s research, by mechanisms such as national plans, regulations, tax policy and subsidies. Venture capital is still a fledgling component of the economy.

These challenges are recognized at the highest levels of government. Actions are forthcoming. The central government is changing its role from designing and managing R&D projects to making national policies and strategies for S&T. As evidenced here, China is rising on foundations based on S&T as a driver for 21st-Century development.

China has led 18 of the last 20 centuries as one of the most innovative and richest countries. And, it is rising again.

Peter MacKinnon is managing director of Ottawa-based Synergy Technology Management. His professional background includes holding positions as a scientist, business manager, entrepreneur, bureaucrat, executive, diplomat, management adviser and academic. He has worked and lived in China for a number of years.
In July, the UN-backed Permanent Court of Arbitration in The Hague released a 500-page judgment on competing claims by the Philippines and China in the South China Sea. The court found that there is no legal basis for China’s historical claims to sea areas based on the “nine-dash line”; that none of the contested features is an “island” that can autonomously sustain human habitation and thus generate an exclusive economic zone; that China has violated the Philippines’ sovereignty by constructing artificial islands and by interfering with Philippine fishing and other activities; that China has severely harmed the coral reef environment, thus violating its obligation to protect fragile ecosystems; and, finally, that China’s actions since the beginning of arbitration have aggravated the dispute.

The ruling is final and binding under the United Nations Convention on the Law of the Sea (UNCLOS), of which China is a signatory member.

Chinese state interest in South China maritime resources began in 1909 when, in reaction to private Japanese extraction of guano from Pratas Island, the governor of Guangzhou sent an expedition to the Paracel Islands. In 1992, China unilaterally claimed a vast swath of the South China Sea by promulgating the Law on the Territorial Sea and the Contiguous Zone. Since 2009, China has advocated recognition of a U-shaped “nine-dash line” that carves out maritime areas far from China, but claimed by adjacent countries. In recent years, China has constructed military bases on coral reefs and rocks across the sea, with inevitable damage to marine ecosystems.

The Scarborough Shoal, known as Panatag Shoal by locals and Huangyan (Yellow Stone) Island by the Chinese, is approximately 220 kilometres from Luzon in the Philippines, but 1,200 kilometres from Hainan, China’s southernmost province. The Chinese first planted flags on Scarborough Shoal in 1997. In 2012, the Philippine navy intercepted Chinese fishing vessels, discovering that they had illegally collected corals, giant clams and live sharks. After a three-month standoff, the U.S. tried to broker an agreement. This was rejected by China, which subsequently blocked the Philippines’ access to the shoal. According to Jane’s Defence Weekly, Chinese plans for the Scarborough Shoal include an airfield and port that could make it another reclaimed island.

U.S. soldiers patrol the South and East China seas. China was told by a UN court in June that it was violating the sovereignty of the Philippines.
base such as Fiery Cross Reef, Subi Reef, Mischief Reef and Woody Island.

Local people have taken action to protect their interests. On June 12, Filipino youth activists from the organization Kalayaan Atin Ito (Freedom is Ours) planted Philippines and United Nations flags on the Scarborough Shoal to mark the Filipino National Day. Kalayaan Atin Ito has been vigilant about Chinese incursions into Filipino territory. Last December, they visited Pag-Asa (or Thitu) Island, which has been inhabited by Filipino civilians since the 1970s.

According to Kalayaan Atin Ito, the Chinese have intentionally poisoned sea life and destroyed coral reefs in efforts to eliminate the livelihoods of fishermen, with the goal of seizing and militarizing the island. The Permanent Court of Arbitration (PCA), relying on an independent report by three coral-reef ecologists, substantiated claims that China has illegally destroyed fragile maritime habitat.

The involvement of civilian social movements exerts pressure on the Philippines to enforce long-standing claims to sovereignty, especially now that they are upheld in the highest international tribunal for maritime disputes. President Rodrigo Duterte may take a stronger stand than president Benigno S. Aquino III, who, in 2014, equated China’s unilateral claim to the South China Sea to Hitler’s annexation of the Sudetenland. In what may be a sign of his intentions, he has already appointed Kalayaan Atin Ito leader Nicanor Faeldon as head of the Bureau of Customs.

China rejected the judgment entirely. Taiwan objected to being called “Taiwan Authority of China,” insisted that Taiping Island (under its control) is indeed an island, and also reiterated claims to the South China Sea as the Republic of China. Yet, Taiwan also stated that maritime disputes should “be settled peacefully through multilateral negotiations, in the spirit of setting aside differences and promoting joint development.” This demonstrates that the ROC is an independent player from Beijing, and could become part of a solution if accepted on the basis of equality with other independent states. It is ultimately in Taiwan’s best interests to embrace international law in the face of Chinese expansionism.

Responses to this ruling will shape the kind of world we live in. The United Nations was founded after the Second World War in order to promote peace based on international law, respect for equal rights and self-determination of peoples. UNCLOS and the PCA were intended to subject certain international disputes to neutral, third-party arbitration. Chinese militarization of the region, despite high ecological costs and destruction of local livelihoods, suggests that they have chosen the rule of force over the rule of law. The reaction of the world to this provocation will determine the course of the 21st Century.

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**Collateral Damage of Ruling**

The judgment made by the UN-backed tribunal in The Hague was aimed at stopping disruptive Chinese activities in Philippines territorial waters. Although China and Taiwan seemed united in voicing opposition to the arbitration, there are important differences in their approaches and in use of the South China Sea. If anything, Taiwan was also a victim of Republic of Philippines v. People’s Republic of China.

Whereas China has embarked on militarization of the region, Taiwan’s leaders have long been willing to set aside sovereignty disputes and seek pragmatic solutions. In 2015, Taiwan signed the “Agreement Concerning the Facilitation of Co-operation on Law Enforcement in Fisheries Matters” with the Philippines. This was preceded in 2013 by an agreement between Taiwan and Japan about fishing in contested waters of the East China Sea.

Taiwanese authorities demonstrated their co-operative spirit by submitting documents to the UN tribunal, even while China negated the legitimacy of the proceedings. Taiwan’s contributions were supportive of China, since most Chinese claims and the idea of a dashed territorial line go back to the period from 1911 to 1949 when the Republic of China (ROC) was the sole government of all of China. Considering Taiwan’s will to assist international arbitration, it is an affront to diminish its status by calling it “Taiwan Authority of China.” This choice of vocabulary, intended to appease Beijing, ignores history and the continuing existence of the ROC since 1949.

Taiwan’s concern is that the ruling diminishes the status of Taiping Island’s Aba by declaring it a “rock.” Fully under ROC jurisdiction, the nearly 50-hectare island, with a natural freshwater spring, hosts coast guard units, a farm with livestock, a hospital, a Buddhist temple and facilities for sea rescue. Since 2007, the municipality of Kaohsiung has managed a turtle reserve there. Taiwan has plans to make the island into an important centre of scientific research on climate change. Taiwan’s peaceful and sustainable use of Taiping Island, especially in contrast to China’s belligerence and ecological destruction of other nearby maritime features, surely provides sufficient reason to welcome Taiwan as a full partner in the region.

— Scott Simon
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At a hotel last May in Urumqi, the capital of Xinjiang, a woman from South Africa was having breakfast on her sixth visit to China. She and her husband had just arrived from Kashgar, an ancient city in the Xinjiang Uyghur Autonomous Region, located in the far west of China. Kashgar was a key stop on the old Silk Road, with a history stretching back more than 2,000 years.

The Silk Road carried Chinese silk, spices and other treasures to the Roman world in exchange for precious metals, glassware and woollen clothes. This couple took the same trip 20 years ago. “You have to see the difference the Chinese can make in 20 years,” the woman said.

In 2014, China, Kazakhstan and Kyrgyzstan successfully petitioned UNESCO to designate a section of the Silk Road a World Heritage site. The Routes Network of the Chang’an-Tianshan Corridor is a 5,000-kilometre section of the Silk Road system, built over routes that have been used intermittently for more than 2,000 years. To revive this ancient trade route, an initiative known as the New Silk Road Economic Belt Initiative — and also called the “One Belt, One Road,” or OBOR project — was put in place. The project

Kashgar, modern and ancient, attracted more than a million tourists in the first half of 2016 with its unique style, fascinating ethnic cultures and cuisine.
involves existing and new rail lines, highways and pipelines along the old Silk Road route from China through Central Asia to Europe and the Baltics. The system through the south of China, officially known as the 21st-Century Maritime Silk Road, aims to connect China with South and Southeast Asia, the Middle East and the Pacific via ocean routes.

The project, announced by Chinese President Xi Jinping in his address at Nazarbaev University during his September 2013 visit to Astana, Kazakhstan, is an ambitious effort to link the country through infrastructure, telecommunications and finance to Central Asia, the Middle East, Africa and Europe.

The new Asian Infrastructure Investment Bank (AIIB), which has been in development for several years and was only formalized in January 2016 in Beijing with 57 founding members, supports the project. The bank’s mandate is to focus on infrastructure projects, including energy and power, transportation and telecommunications, rural infrastructure and agricultural development, water supply and sanitation, environmental protection, urban development and logistics. Another 30 countries have applied to join the multinational bank and Canada also submitted an official application in September to join. Canada is aiming to be the bank’s first North American member.

The New Silk Road Economic Belt Initiative aims to bring together China, Central Asia, Russia and the Baltic region of Europe with the Persian Gulf and the Mediterranean Sea through Central Asia and West Asia, while also creating new jobs and bringing more wealth to the most western region of China. Xinjiang, a region with rich history and ancient culture going back thousands of years, became autonomous within China in 1955.

The Uyghur Autonomous Region of Xinjiang occupies the northwestern corner of the country and consists of about one sixth of China’s total territory. It is China’s largest physical political unit and is the eighth-largest country subdivision in the world, with many deserts and mountainous areas. However, only 4.3 per cent of Xinjiang land is suitable for human habitation.

Due to its location, Xinjiang has a significant geographical advantage and position as a major land transport link to the countries of Central Asia. It is becoming a key trade, transportation, cultural, science, medical and educational centre on the modern Silk Road Economic Belt, with

From top left to bottom: Master potter Kurban Turgun brings an old Uyghur tradition alive in a recently opened co-op factory. • A dancer in brightly coloured traditional dress and hand-embroidered Uyghur flower hat performs for tourists visiting Kashgar. • A Kashgar welcoming ceremony featured dancers in ethnic dress in front of the gates of the old city. • Urumqi, the capital of Xinjiang, is home to a large high-tech industrial development zone. The city hosted the 5th annual China-Eurasia EXPO in September.
enormous international importance. Xinjiang offers a corridor to many countries along the belt and road as it borders eight countries: Kazakhstan, Mongolia, Russia, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan and India. It also lies adjacent to the Tibet Autonomous Region and Gansu and Qinghai provinces of China.

The population of Xinjiang is only 22 million people, yet it is home to 56 officially recognized ethnic groups, the largest of which are the Uyghur and the Han. Other groups include Kazakhs, Mongolians, Uzbeks, Manchu, Russians, Tatars, Tajiks, Hui and Khalkha. Uyghurs and the Hui are the largest Muslim groups in China. Muslims have been settling in China for more than 1,400 years, since the founding of the Islamic faith, many of them during the Yuan Dynasty in the 13th and 14th Centuries.

Xinjiang, with its strong multicultural and religious roots, now has many opportunities to look forward to as well. Visitors will discover many new start-up businesses and a growing number of investors coming here from all over China and many other countries. Volkswagen, Honeywell and Coca-Cola have established large operations in recent years. Many successful Chinese companies, led by Goldwind, the world’s largest wind turbine manufacturer and based in Urumqi, has constructed large factories. New highways, factories, housing developments, recreational complexes, restaurants and shopping malls are being built at a tremendously rapid pace. A new marketplace has developed in this region and is driving expansion in retail, dining and entertainment. As an example, in June, the Urumqi State High-Tech Zone signed a strategic partnership with Watsons, one of Asia’s most prominent health and beauty products retailers, to open a series of stores in the region.

Xinjiang is heavily investing in infrastructure and has designated more than $24 billion for 223 major projects in 2016 alone. Another $13 billion will be devoted to industrial projects such as textile plants and natural gas production. A total of $11 billion will be directed towards social infrastructure such as bilingual kindergartens. These projects and cash infusions will play an important role in boosting the economic and social development of the Xinjiang region, especially as 70 per cent of the trade between China and central Asia goes through Xinjiang.

According to the Urumqi Customs Office, Xinjiang took in approximately $117 billion from foreign trade between 2011...
and 2015, up 41.5 per cent over the previous five years. The continuous growth and stability of this part of China is essential for the Silk Road Economic Belt program to succeed. “We should make good use of Xinjiang’s geographical advantages and its role as a window westward, opening up to deepen communication and co-operation with Central, South and West Asian countries, making it a key transportation, trade, logistics, culture, science and education centre, and a core area on the Silk Road Economic Belt,” stated a National Development and Reform Commission report from March 2015.

Key to the Silk Road project’s success is the development of a continuous road and rail network between China and Europe. This plan involves more than 60 countries representing nearly half of the world’s population and a third of the world’s total economy. China plans to negotiate new free-trade agreements with more than 65 countries along the OBOR.

Under construction since November 2014, the newly built Urumqi High-Speed Railway Station is the largest, most advanced and modern facility in Xinjiang. The station opened in July and started operations with high-speed services to Hami. China has the world’s longest high-speed railway network, with more than 19,000 kilometres of track in service as of January 2016. The future Lanzhou-Urumqi High-Speed Railway is also promising, with trains expected to have an average speed of 350 kilometres per hour. In the future, a trip from Urumqi to Beijing will take only 15 hours and from Urumqi to Shanghai, fewer than 20.

The Gobi Desert is the fifth largest in the world at 1.3 million square kilometres. It now has a new significance as a global solar and energy hub. In an effort to reduce the country’s dependence on fossil fuels, the Chinese government is transforming the desert using the natural resources of sun and wind. Imagine driving in the Gobi Desert on a modern six-lane highway, with tall electrical power lines hanging over the fields. Nearby, greenhouses with a large number of solar panels shelter a variety of crops.

The project to develop greenhouses and turn the desert into a productive, arable land suitable for farming and growing different vegetables, flowers and fruits for local consumption and export to the rest of China has created many new jobs. Farmers are growing peppers, eggplants, tomatoes, cucumbers, watermelons and other vegetables in the greenhouses surrounded by open sky and endless stony sand dunes.

A typical 600-square-metre desert greenhouse, which can be built in a month, can provide two crops and about 7,000 kilograms of eggplant annually. Depending on the productivity, up to 10 standard-size greenhouses can be managed by one person. For example, a young family of five people manages eight greenhouses in Akto County. They earn about 20,000 yen a year ($2,800 US) for taking care of the greenhouses, harvesting twice a year and selling the produce. For water, they dug a 100-metre-deep well and bring the soil from elsewhere.

As Xinjiang is becoming a stronger regional transportation hub, a wider network of international air routes is also being developed with neighbouring countries. Cross-border trade is being facilitated by numerous new customs and immigration checkpoints at designated ports of entry.

An example of the many successful companies operating in Xinjiang is Desert Velvet, a company founded in 2007. It produces high-quality scarves, duvet covers and coats from camel hair. Six factories have been established province-wide. Company director Tayir Kurban is an innovative leader, born of a Ukrainian father and Uyghur mother, with a foot in two worlds, and whose brand is an example of Xinjiang’s emerging economy looking to export and expand internationally.

Back in Kashgar, the advantages of the Special Economic Zone’s privileged status are clear. Established in 2010, it provided funds to redevelop this most western ancient city in China with better infrastructure, increased public safety and more trade opportunities with Central Asia. Kashgar is in the midst of the biggest economic boom in its history as it is being transformed into a regional transport hub. The city is opening up to the world and has attracted more than a million tourists in the first half of 2016 with its ethnic cultures and cuisine. Many of the residents and artisans of the old town warmly invite foreign guests into their homes, shops and

The Silk Road Economic Belt Initiative also has a maritime component, known as the 21st Century Maritime Silk Road. Both projects stand to benefit nearly half of the world’s population.

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team of doctors, lawyers, journalists and parliamentarians from Canada, the European Parliament and the U.S. House of Representatives has condemned China’s lucrative organ-transplant industry.

They added up surgeries at 146 hospitals in China to total between 60,000 and 100,000 per year from 2000 to 2015 — many more than the Chinese yearly official total of 10,000. The organ “donors” that investigators have documented are primarily imprisoned Tibetans, underground “House Christians” and Uyghurs — the latter of whom are Muslims, some of whom are in conflict with Chinese government.

But the primary source of body parts, such as hearts, livers, kidneys and corneas, are members of the Falun Gong, a meditative-spiritual movement banned in China as a cult. Critics say the Chinese Communist government sees the Falun Gong movement as a challenge to its monolithic-atheistic authority.

Chief among the parliamentarians who have been investigating the human organ trade are former MP David Kilgour and Alberta human rights lawyer David Matas. They were nominated in 2010 for a Nobel Peace Prize for their persistent research and reports and for pressing international governing bodies to halt the trade.

Doctors Against Forced Organ Harvesting is a Washington, D.C.-based organization of physicians and medical personnel that provides information to the medical community and public about unethical and illegal removal of organs taken without free consent of the donor. The organization was nominated for a 2016 Nobel Peace Prize.


This report says up to 100,000 Falun Gong members are prisoners of conscience at any given time. And those still free, along with Christians, are often harassed by medical teams assessing their organ health and taking blood samples for blood-typing to provide a fast source of compatible organs. What follows is excerpts from coverage and responses that followed the report’s release.

New York Times (August 2016)

“Heart surgeon Jacob Lavee of the Sheba Medical Centre in Israel had a patient in 2005 who was told a new heart awaited him in China in two weeks — something only possible if there was a pool of living, blood-typed donors, the doctor said.

“International medical organizations like the World Medical Association and the Transplantation Society say the use of organs from prisoners in any country that has the death penalty violates medical ethical standards because the prisoners cannot give their consent freely.”

ABC News, August 2016

Said Ethan Gutman, U.S. investigative journalist and author of The Slaughter (2014), who was featured in the film, Hard to Believe: “We do have a couple of doctors who’ve come out on the record. So we have that, we also have the mayor of Taipei, Ko Wen-je, who went to China to look for organs, to suss out the organ situation for his clinic.

“And he wanted to talk to the doctors about prices, among other things, at this hospital. He wanted to see if he could get the Chinese price, not the foreigner price for organs. And they got to know him a bit, they liked him, and they said ‘OK, we’re going to give you the Chinese price’ and they said ‘We also know you’re pretty concerned about these organs coming from prisoners, because you know they’re a lot of drug addicts and these people live hard lives.

“ ‘We want to assure you all these organs are coming from Falun Gong. These people, they don’t drink, they don’t smoke, they’re very healthy really. So...’”

CNN (June 2016)

Report: China still harvesting organs from prisoners on a massive scale

“The report’s findings stand in stark contrast to Beijing’s claim that, since the beginning of 2015, China has moved from almost completely relying on organs from prisoners to the ‘largest voluntary organ donation system in Asia.’

[It would be hard to supply hundreds of thousands of organs through voluntary donation, given that the Chinese widely disapprove of the mutilation of a deceased person.]

“At a regular press conference, Chinese Foreign Ministry spokeswoman Hua Chunying said China has ‘strict laws and regulations on this issue. As for the testimony and the published report, I want to say that such stories about forced organ harvesting in China are imaginary and baseless — they don’t have any factual foundation,’ she said.

“China carries out more executions annually than the rest of the world put together, at least 2,400 in 2014, according to Death Penalty Worldwide. Official Chinese figures are not reported.

“In late 2014, China announced that it would switch to a completely voluntary donation-based system. This pronouncement was greeted with great scepticism, however, given that between 2012 and 2013, only around 1,400 people signed up to donate (compared to the more than 300,000 in need of organ transplants every year).

“For decades, Chinese officials strenuously denied that they harvested organs from prisoners, calling claims to the contrary ‘vicious slander.’ Finally, in 2005, officials admitted that the practice took place and promised to reform it.

“Five years later, however, Huang Jiefu, director of the China organ donation committee, told medical journal The Lancet that more than 90 per cent of transplant organs still came from executed prisoners.”

Parliament of Canada all-party House sub-committee on international human rights

A 2015 statement expressed “deep concern over credible allegations that prisoners of conscience and members of religious and ethnic minority groups, including, but not limited to [Falun Gong] practitioners of Falun Dafa, and Uyghurs, in the People’s Republic of China, are being executed for the purposes of harvesting and transplanting their organs.”

Organ harvesting in China
Researchers estimate 1.5 million victims have had their organs harvested for China’s transplant industry
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Tunisia’s fragile advances

By Fred McMahon

[When political change is not accompanied by widespread economic change, there is a risk of reversion… When old economic structures are preserved or only modestly adapted, it cannot be expected that different outcomes on growth and equality will result. — Oxford University Press.

Mostly hidden from western eyes, Tunisia, the only nation to successfully emerge democratically from the Arab Spring, is stacking up political successes. But democratic achievement has not lifted the economic malaise that sparked the Arab Spring and continues to fuel sometimes-violent discontent.

Still, the democratic advances are real. In May, the sports stadium outside Tunis was ear-splittingly loud as the Islamic Ennahda Movement’s 10th conference opened. The audience spilled out of the stadium into the warm evening whereas speakers blared. Supporters cheered for hours as luminaries hit the stage for full-throated speeches. Singers, dancers and other performers entertained in between.

I was lucky to witness this. Because of my writings on the Arab world, Ennahda invited me to attend the conference. I was among a small group of international guests close to the stage.

At first, I was unaware of the historic events that were about to unfold. I did notice, however, that none of the women wore veils and a significant minority wasn’t even wearing headscarves, including some female ushers and speakers on stage — this would be unthinkable for Islamic meetings elsewhere in the region.

To a rapturous welcome, Ennahda leader and founder, 74-year-old Rached Ghannouchi, took the podium last. He had founded Ennahda three decades earlier to promote Islam and protect it from what he saw as attacks from a secular state. Most of the intervening years he spent in exile.

His was the most remarkable speech. As his words floated on waves of cheers, he was telling his movement to step aside from political Islam. When he founded Ennahda, he explained, Islamic values were under threat. They were no longer under threat, so it was time to move on, he told his followers. And so it was. He also promoted a vision of free-market reform.

From movement to political party

When I arrived in Tunis in May, Ennahda was an Islamic democratic movement; five
Economics and the Arab Spring

The western media interpreted the Arab Spring as a “struggle for democracy and fundamental rights.” There was some of that, but it was primarily provoked by low levels of economic freedom, high levels of government regulation and phony reforms saturated by corruption.

Tunisia and other Arab states, which suffered significant violence or government change during the Arab Spring, all had lousy economic policies — either crony socialism or crony capitalism, suppressing economic freedom. Both allowed the elite to control the riches of the state and exclude others.

All nations with large-scale Arab Spring disruptions were down around 90 out of 150 on the Fraser Institute’s Economic Freedom Index when demonstrations erupted and, as a result, had sluggish and weak economies. The usual “security” compact in dictatorships, whereby citizens give up freedom in exchange for security, was supplemented by a perverse economic deal. The poor got subsidies and benefits from extended patronage networks; the middle class got guaranteed government jobs in exchange for often worthless “university” degrees; and the rich got to loot the country. This created incentives for all segments of society to milk the state rather than engage in productive activity.

Skyrocketing Arab birth rates, which sent costs through the roof, disrupted the deal. Arab states could no longer afford the subsidies or government jobs for a bulging youth population. Western donors, a key source of funds for poorer Arab nations, balked at sending more billions down the rabbit hole of destructive economic policy.

To keep money flowing, with the support of international institutions such as the IMF and World Bank, Arab nations started to “reform,” de-tangling regulatory and privatizing state enterprises. Some of this helped. Economic freedom, growth and investment ticked up in places like Tunisia and Egypt. But it was mostly a fraud. The bureaucracy liked tangled regulations, a source of bribes from those who needed to cut red tape. Privatization was a cover for shifting resources from elite control through the government to elite control through crony transactions. The Mubarak family in Egypt and the Ben Ali family in Tunisia made off like the bandits they were.

Public anger was compounded by youth adrift. Official Arab youth unemployment hovers at 30 per cent, but perhaps three-quarters of young people lack full-time jobs. Polling evidence shows that economic issues were at the forefront for Arab Spring demonstrators, who typically came from the middle and lower-middle class. They expected no-longer-available government jobs.

All this exploded in 2011 into a conflagration that spread across the Arab World. Protesters were mainly motivated by a lack of opportunity and jobs in dead crony-capitalist and crony-socialist systems.

While the deep-seated problems were economic, no economic vision or structural change emerged from the Arab Spring, leaving in place the same frustrations and anger to fester. Holding elections solved little, and often made things worse.

Tunisia’s way forward

Incredible leadership enabled Tunisia to emerge relatively peacefully with an intact democracy, but without deep economic reform and the opportunity it offers, success will be fleeting.

This is crucial. Only an elementary school education is needed to look around the world and see that all stable democracies with prosperity and opportunity have free market economies, though the model varies considerably from small-government Switzerland to big-government Nordic states, which, in all other ways, are market-friendly and open. Those limited free markets, such as Tunisia, struggle with low growth and often democratic setbacks.

Yet, opposition to reform is entrenched in Tunisia. Crony capitalist and socialist elites battle any diminution of privilege and the opening of markets to competitors from all rungs of society.

The labour elite will fight too. The Tunisian General Labour Union (Union Générale Tunisienne du Travail) played an important and constructive role in Tunisia’s peaceful transition, but is now

DODGING THE BULLET

The Arab Spring began in Tunisia as an act of economic defiance: 26-year-old street vendor Mohamed Bouazizi set himself ablaze on Dec. 17, 2010 in Sidi Bouzid, Tunisia, to protest the confiscation of his wares by a city official. Demonstrations and riots spread through Tunisia and then the Arab world. A month later, Tunisian president Zine El Abidine Ben Ali resigned.

The Islamic Ennahdha Movement won the resulting elections in October 2011, as did the Muslim Brotherhood in a similar situation in Egypt.

As in Egypt, protests and violence soon broke out against the regime and here the courses of the two nations diverged. To maintain peace, Ennahdha resigned power in favour of a technocratic government that enacted a liberal constitution, promoting equal treatment for women and religious tolerance.

Secularists were not completely mollified. Beji Caid Essebsi founded Nidaa Tounes in 2012 from a rag-tag mix of various interest groups, the old elite, business organizations, unions and Marxists, with virtually no policy other than opposition to Ennahdha and Rached Ghannouchi.

Nidaa narrowly beat Ennahdha in the 2014 elections and Essebsi won the presidency. Ghannouchi had declined to run.

Yet, during the transition, Ghannouchi reached out to Essebsi to ensure stability and civil peace. The old foes have become partners working for Tunisia’s future.

Ghannouchi invited Essebsi to give a keynote address at the Ennahdha conference. Essebsi was personally greeted by Ghannouchi and given several standing ovations. If only British or Australian or most European politics could be that civil. For the United States currently, it would be fantasy fiction.
making things worse, intent on maintaining the privileges its members, and particularly leaders, obtained under Ben Ali. More than 150 strikes in 2015 doubled the workdays lost compared to the year before; the union demands wage increases and exceptional promotions that have no relation to productivity, eroding the nation’s competitive position; and it uses its muscle to maintain job market restrictions that protect a privileged union membership and exclude the disadvantaged through inflexible labour laws.

To maintain civil peace after the Arab Spring, Tunisia has taken counterproductive measures. For example, it has further bloated its civil service to 600,000 with another 180,000 working in public companies. As The Economist argued, “Public firms are models of inefficiency. The Tunisian Chemical Group increased its head count from 5,000 in 2010 to 16,000 in 2012, while production fell from 8 million to 2.5 million tonnes.”

Many in the region, consistent with the research, have told me this undermines work ethics. A World Bank report notes that “the link between a public employee’s performance and evaluation, compensation and promotion is weak, particularly since the revolution.” It damages the higher-education sector, stuffed with institutions to provide middle-class youths pieces of paper that qualify them for the civil service rather than practical education or training.

Then there are those who ideologically oppose reform. At an Ennahda seminar, one German NGO representative argued that Tunisia had no need for free markets. I responded that it was interesting that a German, who could see all the prosperity and opportunity that free markets had created at home, would come to Tunisia and say, “Well, this isn’t for you.” This was warmly received by the Tunisians in the room, so minds are still open.

**The future**

Despite the challenges, not long ago, Tunisia’s outlook for a peaceful transition from the Arab Spring looked grim. But people from across society, including elites and productive activity that creates sustainable prosperity. It now must produce its own prosperity and, as Ghannouchi argued, that can only be done through free markets and the private sector, with opportunity open to all, not just the privileged and connected.

Ghannouchi hit other areas in want of reform, including social reform. He spoke of cutting government jobs, of the need for greater work discipline, more vocational education, and reform of universities to produce useful training and education rather than degrees for civil service employment.

The World Bank has signed on to a five-year program of reform and will provide up to five billion dinars (approximately $2.3 billion US) in loans. Hopefully, the World Bank will not be fooled again as it was in the early 2000s when reform was little more than a cover for the ruling elite to loot the state under the guise of privatization. The U.S. embassy, in a 2006 cable released by WikiLeaks, expressed alarm at the perverse policy. “Despite increasingly liberal economic legislation, all key decisions, especially related to investment and privatization, are made at the highest levels of the government — probably by the president himself. This arrangement has permitted President Ben Ali’s extended family (siblings, in-laws, and distant relatives) to become aware of, to assert interests in and to carve out domains in virtually every important sector of the Tunisian economy.”

At least in Ghannouchi, international institutions have a leader who is interested in tearing down pillars of privilege rather than enriching cronies.

Ghannouchi has been compared to Nelson Mandela. Mandela came from a radical background, promoting black power. In government, he supported free and open markets and built bridges between all segments of society. Ghannouchi was called a radical when younger, but has moved to heal societal wounds and support free markets. As the Middle East Eye put it in a recent headline: “Ghannouchi, like Mandela, risks all for reconciliation and democracy.”

Tunisia faces horrid headwinds, but it faced them in the Arab Spring and sailed through relatively unscathed. If it succeeds in meeting its economic challenge, it will be a beacon of much-needed hope throughout the Arab world.

Fred McMahon holds the Dr. Michael A. Walker Research Chair in Economic Freedom at the Fraser Institute.
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Turkey has long been admired internationally for being a Muslim-majority democracy with an industrious people, strong economy and picturesque geography. Under their First World War hero and founder, Mustafa Kemal Atatürk, modern Turks obtained full independence in 1923, and later the rule of law, universal literacy, separation of state and religion, equal rights for women and a strategically important NATO membership.

A major ongoing governance problem was the practice of the Turkish military to seize the government, claiming to maintain its concept of Atatürk’s secular state. Several times (including 1960, 1971 and 1980), coups occurred, although each time the military returned the country to democracy.

Governing in the Atatürk tradition in their early years, Recep Tayyip Erdoğan and his Justice and Development Party (AKP) impressed many at home and abroad. Erdoğan was elected mayor of Istanbul (1994), prime minister (2003-2014) and president (2014). The country’s economy and the well-being of many Turks improved markedly in his first five years as prime minister. Other achievements included temporarily winding down a 30-year conflict with Turkey’s 15-million-strong Kurdish minority, which had cost at least 40,000 lives, and accepting 700,000 refugees from Bashar al-Assad’s Syria.

In recent years, unfortunately, Erdoğan has chosen to undermine Turkey’s democratic institutions in favour of creating an intolerant and corrupt dictatorship. In late 2013, for example, when a corruption scandal broke involving him and his cabinet, no one was charged. Numerous judges, prosecutors and police were quickly reassigned.

The episode also appears to have caused a rupture with devastating consequences today involving Fethullah Gülen, who supported Erdoğan earlier when he was seeking membership in the European Union and further democratization of Turkey. Gülen is now a handy scapegoat and declared a terrorist by Erdoğan.

As of the spring of 2015, 22 Turkish journalists were in jail and more than 60 had been found guilty of defamation of the president. Erdoğan’s government, moreover, seized major electronic and print media in a manner very similar to that of Russian President Vladimir Putin. Can Dündar, editor of the Cumhuriyet newspaper, was jailed after airing footage showing Turkish intelligence sending weapons to ISIS in Syria. More recently, a total of 95 journalists were detained and 113 news organizations remain closed. Erdoğan has also cracked down on antigovernment protesters and deliberately increased tensions with the Kurdish community for presumed partisan political reasons.

In the June 2015 national election, which focused on corruption, the Kurdish People’s Democracy Party (HDP) won 12 per cent of Turks’ votes and ended the AKP’s previous parliamentary majority. Opposition parties attempted to form a coalition government, but failed, allowing Erdoğan to call another election. In November 2015, he won a near majority, but still lacked enough seats to change the constitution in order to establish a presidency without checks or balances.

Meanwhile, next door in Iraq, the ISIS conflict has killed almost 15,000 civilians and wounded 30,000 others over the previous 18 months, according to a UN report. More than 2.8 million Iraqis remain displaced within their country, including 1.3 million children. In March, U.S. Secretary of State John Kerry officially declared that Christians, Yazidis and Shi’ite Muslims were suffering genocide at the hands of ISIS.
Erdoğan appears to have assisted ISIS earlier in various ways, including providing a logistical, economic and political base in Turkey. An estimated 25,000 foreign combatants joined ISIS in Iraq and Syria by travelling through Turkey. During 2015, ISIS was enriched by between $1 million and $4 million daily when most of the oil it obtained was smuggled through Turkey. Britain’s Guardian newspaper reported that ISIS computers seized by American commandos in Syria contain irrefutable evidence of its earlier collusion with the Turkish government.

Turkey assisting ISIS to replace al-Qaeda as the Sunni jihadists in Syria, moreover, escalated that conflict into a full-scale regional war between Sunnis and Shi’ites. When Erdoğan finally agreed to fight ISIS, NATO reluctantly went along with his demand to withhold much-needed support from the Kurds, who had fought ISIS effectively from the war’s beginning. Fortunately, the Kurds continue to confront ISIS and Erdoğan has also joined the fight. ISIS conducted a string of suicide bombings in Turkey and launched rockets into southern Turkish cities near the Syrian border.

Graham Fuller, a long-retired CIA official and American author of several books on the Muslim world, wrote in his blog on July 20: “... Erdoğan is now in the process of destroying virtually everything his party created in the first decade of governance. His sweeping purges and the pall of fear and uncertainty is destroying Turkey itself.”

The full details of the attempted coup on July 15 might never be fully known and statements emerging from tortured prisoners have little probative value. There is agreement that a group of mid-ranking Turkish soldiers seized control of the Parliament in Ankara and Istanbul’s bridges, airports and some police stations. Turkish citizens, including police, soon courageously overpowered them. Erdoğan himself avoided soldiers attempting to seize him and, through his cellphone, called on military loyal to him and encouraged his supporters to rush into the streets of Istanbul and elsewhere.

According to Amnesty International observers in Turkey, those affected by the crackdown and purges, which continued well after July 15, and the state of emergency declared five days later, already include more than 15,000 detained; more than 45,000 suspended or removed from their jobs, including judges, police and prosecutors; more than 1,000 private schools and educational institutions closed and 138,000 school children transferred to state schools; 131 media organizations and publishers shut down, including 16 TV channels, 23 radio stations, 45 newspapers and 29 publishing houses.

The state of emergency allows the president and his ministers to bypass Parliament in enacting new laws and further limiting basic rights. On July 24, Erdoğan seized control of more than 2,250 social, educational and health-care facilities, terming them threats to the nation. His goal appears to be to remove all elements of Atatürk’s secular state.

At a joint news conference in Washington this summer, John Kerry and Canada’s Foreign Minister Stéphane Dion addressed claims from Erdoğan that Gülen, 74, in self-imposed exile in Pennsylvania since 1999, had masterminded the coup attempt, requesting hard evidence rather than allegations as required for extradition in both countries. Gülen, who opposed coups in Turkey for decades, including the latest attempt, favours holding an international inquiry to examine the causes of the attempted coup.

Tragically for Turkey and the world, indications are mounting that Erdoğan is using the attempted coup to subvert democracy, which Turks have defended with their lives over the past 93 years, in order to achieve his increasingly unconcealed authoritarian goals. Is Erdoğan, like Putin in Russia, seeking to give his citizens the formal institutions of a democracy, but gut them of any meaning? As Amnesty International recently indicated, the choices Turkey makes in the coming months will be an affirmation of the primacy of the rule of law and human rights or a return to the dark days of mass repression, torture and arbitrary detention.

Turkey is an important country to the Middle East, Europe and the world. The present state of emergency jeopardizes its already weakened democratic governance by granting even more arbitrary powers to a president with clearly autocratic inclinations. Many friends of Turkey hope Erdoğan will somehow accept the real lessons of July 15 and move away from confrontation and vengeance towards national reconciliation, democracy and the rule of law.

David Kilgour is an author, human rights activist, former lawyer and former member of Parliament. He was secretary of state for Latin America and Africa and, later, secretary of state for the Asia-Pacific. He was elected as a Conservative and later a Liberal, and ended his parliamentary career as an independent.
Sub-Saharan Africa has been rising rapidly in this century, growing economically at an unprecedentedly rapid pace from 2005 to 2015, with most of its 49 countries participating in a new post-colonial prosperity. But, with China’s own economic surge slipping, India and Japan weak, Europe lagging and North American demand limited, will sub-Saharan Africa stagnate and her prospects deteriorate? Given unexpected additional problems on the near horizon, will Africa’s peoples be able to realize the kinds of social advances that had appeared to be within their reach?

Until very recently, the nations of sub-Saharan Africa were growing economically at an average of five per cent a year, much faster than the rest of the world. A few of its number, especially the petroleum and gas producers, had been rising at even higher, double-digit, rates. But that growth trajectory has now come to a shuddering halt as China’s appetite for oil, iron ore, copper, chrome, the metallic ore coltan and other precious natural resources has slowed substantially. Simultaneously, the formerly high prices for commodities have tumbled, so African and other exporters of primary goods have suffered a double whammy as mines have been shuttered and pipeline deliveries slowed. The pace of exploration in West and East African waters has also faltered. Even non-Chinese foreign investors have largely taken flight.

Together with the once-avaricious Chinese demand for the spoils of the land and the sea, sub-Saharan Africa’s economic resurgence in this century has been fuelled by stronger governance, greatly enhanced leadership, improved political participation and more thoroughgoing democratic procedures, fewer dictatorships and — despite the continuing civil wars in South Sudan and Sudan, the Democratic Republic of Congo, the Central African Republic, Burundi, Mali and Nigeria — much-reduced intrastate conflict.

Most of Africa is at peace, and focused more than ever on improving standards of living and increasing educational op-
portunity and health care. In this century, there has also been a major rise in middle-class thinking and membership. An international opinion survey discovered an emerging embrace of global village values and a distinct move away from the kind of peasant populism that had dominated sub-Saharan Africa in the 20th Century.

Barriers to advancement

Until China slowed, sub-Saharan Africa seemed poised to uplift most of its peoples in a profoundly beneficial manner. Moreover, in addition to economic GDP slips to three per cent or less (under one per cent in South Africa’s case), there are major unanticipated barriers to African advancement that could mortgage present and future accomplishments and, conceivably, set back African prospects dramatically.

Climate change is altering rainfall patterns significantly, leading to major droughts this year in southern Africa, the Horn of Africa and the Sahel region south of the Sahara. African farming depends on rain; only three per cent of farmers have access to irrigation. That means that when the Intertropical Convergence that governs African climate patterns shifts, the rains on which Africans have long depended vanish, and crops wither. Moreover, the rapid melting of the Arctic and Antarctic glaciers will soon cause substantial upwelling sea levels, and the potential flooding of much of coastal West Africa.

If these climatic perils were not sufficient, sub-Saharan Africa, now and for the remainder of this century, is experiencing a huge demographic explosion. Being the most rapidly growing part of the world, sub-Saharan Africa’s one billion people will surge in the next 50 years to two billion and three billion and reach an estimated 3.7 billion in 2100, right behind Asia’s four billion. Based on well-regarded UN Population Division estimates, Nigeria will become the third most populated nation in the world, after India and China. Tanzania, now a mere 75 million people, will soar to 340 million and become the fifth largest country in the world. The Democratic Republic of Congo will hold 212 million and be the eighth largest polity, bigger than Brazil.

Lagos and Kinshasa will be larger and more congested than Cairo and Mexico City, but with much poorer sanitation, fewer roads, serious electricity shortages and a paucity of jobs. Overall, cities will mushroom in sub-Saharan Africa and rural areas will decline from 50 per cent of the total today to 25 per cent in 2100.

Where will the food to feed these new millions come from? How will they be governed? Are current methods of political management adequate? Most of all, can Africa, like Asia, realize a demographic dividend if educational resources are sparse and new employment possibilities cannot keep pace with population growth?

Sub-Saharan Africa is already short of water. Where will the clean water come from to slake the thirst of these new, mostly urban, and mostly unemployed masses? There is little evidence that African governments are thinking today about such near-future problems.

Nor is there sufficient concern about how best to mitigate sub-Saharan Africa’s immense energy shortages. Today, Ottawa’s generating capacity would suffice to power Nigeria; Spain has more available electricity than all of sub-Saharan Africa. Relief from such deficits could come from the dozens of new hydroelectric dams that China is building across the African continent, especially from the massive Grand Renaissance Dam across the Blue Nile in Ethiopia. Its output could theoretically power nearly all consumers across middle Africa. But if the rains are sparse, the dams will not fill. Furthermore, there is a major shortage of transmission lines and facilities, and the several existing African grids do not yet interconnect. So those linkages will be a work in progress — someday.

Given abundant sunshine, one would imagine that sub-Saharan Africa was planning solar arrays everywhere. But that is happening experimentally in only a few countries. More solar would be efficient, and so would wind-powered turbines along the coasts, where winds are steady and strong. Only South Africa is advanced in this area, but again with transmission impediments. Rwanda is tapping methane power possibilities from the bottom of Lake Kivu and Kenya is using geothermal power from the Rift Valley. All of these initiatives may someday end the “load-shedding” and blackouts that now bedevil consumers — and industrialists — throughout much of sub-Saharan Africa. Until that happy time, electricity deficits will hinder African progress and growth.

The Chinese are building roads and railways to help improve Africa, but sub-Saharan African countries still have enduring infrastructural weaknesses. Paved road mileages are still much less than other continents, on a per-capita basis, and the farmers on whom the urban consum-

ers depend are often distant from arteries of commerce. Sometimes whole countries, such as the Congo, are cut off from their hinterlands by transport failures. Even the cell towers on which mobile telephone customers depend are unreachable and unserviceable, cutting communication.

Education is another Achilles heel. Although most Africans have access to primary school, only 70 per cent or so, and more boys than girls, persist into secondary school. Only about 30 per cent of girls finish secondary school, and there are places in sub-Saharan African universities for only six per cent of eligible students.

Slowing fertility rates depend in large part on the education of girls through secondary school. That advance is happening too slowly, and, with faltering economies, may further diminish. Further, the Asian demographic dividend occurred on the back of a vast educational upsurge, particularly a rise of technical education. Neither is happening in sub-Saharan Africa, except in prosperous Mauritius.

Although much improved, governance and leadership in most of the sub-Saharan nations may be insufficiently robust to cope with these and other challenges. When China was demanding everything that Africa could dig up and sell, circumstances were less challenging than they are now. Today, all of sub-Saharan Africa struggles to educate and care for its citizens and, critically, to create formal and informal livelihood mechanisms. The middle class is demanding better governance and achieving breakthroughs in some places, but there are also countries, such as Angola, Eritrea, Kenya, Nigeria and Zimbabwe, where the rule of law is still uncertain and corruption overwhelming. Even South Africa is mired in corruption, thanks to the lamentable performance of its leaders and its ruling African National Congress.

The road ahead is difficult, marred by potholes, and the mendicants and fixers are mostly asleep, or focused primarily on the transactional governmental business of the moment. If sub-Saharan Africa does not wake up sharply, most of its peoples will be left far behind the rest of the global village. Canadian and American assistance needs to focus, laser-like, on strengthening leadership and decision-making capacity, and on backing the African middle class.

Robert I. Rotberg is senior fellow, Centre for International Governance Innovation and founding director of Harvard’s Kennedy School program on intrastate conflict.
Diamonds glitter through countless legends and still fire imaginations. Unlike any other commodity, diamonds are famed for their physical properties and their illustrious place in history, helped in modern times by intense marketing. According to Ad Age, “A diamond is forever” is the No. 1 commercial slogan of the 20th Century.

Today, heirloom and coloured diamonds are fetching ultra-high prices in auctions, with wealthy collectors vying for the very best. For example, the Hancock Red, weighing only 0.95 carat, was sold by Christie’s in 1987 for $880,000 or $926,315 per carat.

Adamas from ancient Greek, meaning unconquerable or indestructible, is the root of the word “diamond.”

Depending on the geometric arrangement of carbon atoms, they can form diamond — the hardest substance known, or graphite, the softest of mineral substances.

Physical Properties
Two characteristics of diamond grant its premier position as a gemstone: hardness and optical properties. On the Mohs Comparative Scale of mineral hardness, diamond tops the list with a value of 10. Corundum, the mineral name of ruby and sapphire, has a value of nine. However, measured by the quantitative Rosival Scale, diamond is 1,000 times harder than corundum, the second-hardest substance, and about five million times harder than graphite, which has a Mohs hardness of one. Diamond’s hardness, of course, is highly valued for tools that cut, grind, polish and drill hard materials such as metals, gemstones and rocks, and for dentistry and medical applications, such as precision eye surgery and other microsurgeries. Diamond’s colourful “fire” is due to its...
Value: The “Four Cs”

The “Four Cs” refer to the four main elements in a polished, cut gem diamond’s appraisal: carat-weight, colour, clarity and cut. The value of diamonds with the same general properties increases exponentially with weight. For example, a one-carat flawless, colourless, round, brilliant, excellently cut stone retails for $22,890 US. A two-carat stone of similar quality sells for $90,920. And an equivalent four-carat stone retails at $421,990. The term “carat” comes from the Greek “keration,” meaning locust tree.

The metric carat is 200 milligrams, which approximates the weight of locust tree seeds used by 19th-Century diamond-taires (diamond producers or cutters) for weighing diamonds.

High prices for diamonds generally reflect the rarity of larger stones. De Beers stated in a 2002 report that only 400,000 stones of one carat or greater are produced annually from the world’s mines. Moreover, about 50 per cent of diamond weight is lost in cutting and often two stones are produced from one diamond. To produce a one-carat cut stone, a well-formed 2.6 carat rough octahedral crystal would be needed. That amount would also yield a 0.30-carat stone.

The average size of a rough diamond is about 0.10 carat, which would mean about 700 million individual stones comprise the 70 million carats of gem-quality diamond mined annually. According to De Beers, 92 per cent of them are cut in India, where more than a million workers do the job. Most of the diamonds cut are below 0.08 carats. The smallest, 0.005 carat, are used in pavé, the tiny sparkles seen on jewelry pieces. With 70 million carats weighing only 14 tonnes, it would take six years of production to fill a six-metre shipping container.

Individual mines generally grade from 0.3 carats to one carat per tonne of ore. The lowest is 0.08 carats when stone quality is excellent. The highest is the Argyle Mine in Australia with 6.0 carats, but having only five per cent gem quality, that material is worth, on average, only $25/carat. Even one-carat-per-tonne ore is made up of 30 to 50 mainly tiny diamonds, half of which are low-value non-gem quality.

The number of mines is also small. In 140 years, of the 7,000 kimberlite pipes (the conduits in igneous rocks that carry diamond towards the Earth’s surface) found, 1,000 have diamonds, but only 60 proved to be economically viable and 11 mines account for two thirds of global production, a fairly puny presence for such a glitzy global business.

The violent birth and hard early life of a diamond

Diamonds form under pressure at depths of 150 to 180 kilometres in the earth and at temperatures optimally around 1,300°C. These unique conditions are only to be found in the Earth’s “mantle” layer, below the thick cooler regions of the Earth’s crust, in formations that are at least 2,500 million years old. The rocks are of Precambrian Age, which can be divided into two broad categories: the Archean Eon (between 2.5 billion and four billion years ago when the crust of the Earth formed) and the Proterozoic Eon (between a half-billion and 2.5 billion years ago, when simple forms of life came into being.)

The latter is divided into two units: a younger one, between a half-billion and one billion years old, and an older one, which is one to 2.5 billion years old. As structural units, these are referred to respectively as Archons, Protons and Tectons. It is only in the Archon regions that diamond pipes can be found. These, therefore, are the target areas for exploration and the source for alluvial diamonds in streams and seabed deposits that have been transported away from their sources.

The final depositing of diamond at or near the Earth’s surface, is a remarkable event. Molten volcanic magma from deeper in the mantle, below the diamond-bearing layer, rises up and incorporates diamonds from their own quiet layer and, under immense pressure, fractures and penetrates upwards through the crust. As the magma moves upward, it accelerates from 20 kilometres per hour to 1,200 kilometres per hour, reaching the surface with explosive force.

As support for such a violent birth for a diamond pipe, at 300 metres depth in the Ekati Mine in the Northwest Territories, metre-long chunks of preserved redwood trees were found buried in kimberlite ore. Clearly, the explosive eruption occurred in a redwood forest and trees within the blast and along the edge of the crater toppled and were interred by airborne rock falling back and additional volcanic material from below in the final stages of the eruption. Of broader geologic interest, it is clear that a California climate existed around Ekati 53 million years ago. Climate evidently can change dramatically of its own accord.

Diamonds in situ occur in kimberlite, a dark green-black igneous rock dominated by iron-magnesium silicates, high carbon dioxide, high water content and exotic trace minerals. They are also geologically interesting as samples of the Earth’s subcrustal mantle layer. The term “pipe,” in kimberlite pipe, refers to the usually circular cross-section and the fact that it represents a conduit of volcanic fluids from below the Earth’s crust. Kimberlite pipes are carrot-shaped, tapering downward. Diamonds also occur in stream gravels, resulting from erosion of diamond pipes and are an important resource in India, Africa, Australia, Brazil, Venezuela and Guyana.

A brief history

Clashing empires, plundering hordes, freebooters, thieves, royal intrigues and romances embroiler the rich history of diamonds. Diamonds have even had a place at the table — as collateral for loans — in times of war and economic hardship. For more than 3,000 years, diamonds have symbolized power, wealth and love, along with their spiritual, medicinal and supernatural powers.

The ancient Romans were the first to import diamonds in quantity. Pliny the Elder complained in a letter that trade in luxury goods with India was draining the
Roman treasury. He was eminently aware of diamonds, having written of their superior hardness and magical properties in his 10-volume book of knowledge, *Naturalis Historia*, published in 77 AD. He noted the industrial use of diamond fragments as well: “These particles are held in great request by engravers, who enclose them in iron, and are enabled thereby, with the greatest facility, to cut the very hardest substances known.”

Augustus Caesar (ruled 27 to 14 BC) received two trade missions from India in 25 BC and 21 BC. Modern archeologists discovered large caches of Roman gold coins of the emperors Augustus, Tiberius and Nero. Unearthed near modern-day Pondicherry on the southeast coast of India and near Coimbatore on the southwest coast, along with pottery, beads and lamps, they marked Roman trading settlements. Chinese references of the period record iron scribes coming from Rome. Their interest in diamond was apparently only as a carving tool for jade and other materials.

The fabled large Indian diamonds came to light after the Arab invasions of India in the 8th Century, Turkish conquests in the 12th Century — the Turco-Mongol conquerors who created the 200-year Moghul Empire in India — and the latter’s crushing defeat in 1739 by Nader Shah, ruler of Persia. The surrendered Moghul treasury contained a rich trove of gems, including the Koh-i-Noor (meaning mountain of light in Persian) and Darya-i-Noor (meaning sea of light) among other substantial stones that are part of individual diamonds’ romantic history. These two diamonds today respectively preside as British and Iranian Crown jewels.

In 1499, Portuguese navigator Vasco da Gama discovered the sea route to the Orient around the Cape of Good Hope, and diamonds began to flow directly from India to Lisbon and Antwerp. In 1602, the Dutch East India Company soon took over the Indian diamond trade. Coincidentally, the company also set up a colony in South Africa, and settled it with Dutch farmers (Boers) to provide fresh produce for the company’s ships on their long voyages between Europe and the Orient. Little did they know at the time that this territory would become far greater a producer of diamonds than India.

An individual, Jean Baptiste Tavernier (1605-1689), travelled on six occasions to India to purchase diamonds for Louis IV of France. His were the first objective accounts of diamond production and trade. He also gave descriptions of some famous diamonds, including those he saw among the Persian Crown jewels.

The diamond’s unique connection to India was broken in 1725 during a gold rush along the Rio Jequitinhonha in Brazil’s Minas Gerais state, where diamonds began to turn up in prospectors’ pans. This new source supplanted dwindling Indian diamond supplies for the next 140 years. Then, in 1866, near Hopetown, South Africa, the final twist in the story occurred. A farm boy, Erasmus Jacobs, found a pretty stone that turned out to be a 21.25-carat diamond, subsequently named Eureka. Alerted to the find, others began finding diamonds around the town of Kimberley. It became clear that an unparalleled supply of diamonds was about to present itself. No longer was this king
of gems to remain the stuff of emperors, monarchs and the nobility.

Geologists soon began to unravel the science behind the formation of diamonds and the placement of diamond pipes, which guided the search for more. Diamonds were soon found in a dozen countries in Africa, then in Russia and Canada, among others.

What's next?
Perhaps De Beers’ slogan “A diamond is forever” will change to “diamonds are for everyone.” Technology will be the engine for such a trend. Laser cutting has become commonplace. Manufactured diamonds were first produced for industrial usage, but in the past few decades, a small number of gem-quality diamonds of up to half a carat have been achieved as well. Industrial diamonds from such places as Ireland and the U.S. now make up 95 per cent of all diamonds.

The Canadian chapter
In the mining trade, looking for mines is called “looking for elephants in elephant country.” The search for diamond is no exception once the first elephant is found, and the first elephant is almost always found (to carry on the animal metaphor) by a determined lone wolf with an idea and a shoestring budget.

Charles Edgar Fipke, born in Edmonton in 1946, was one such person. In Canada, spectacular continental glaciers, with ice up to three kilometres thick, covered the bedrock over thousands of kilometres and destroyed any useful alluvial deposits that might have led to the discovery of diamond pipes. Fipke, however, visualized the glaciers similarly ploughing over diamond pipes and distributing diamond indicator minerals “downstream,” hundreds of kilometres from their source in the gravels and soils along the direction of ice movement. He found diamond indicator minerals in the soils near the west end of Great Slave Lake and during the following decade, he traced the minerals train 300 kilometres north, where he found the Ekati diamond pipe.

An earlier Canadian who pioneered diamond exploration and development was John Williamson, a geologist who obtained his PhD in geology at McGill University in the 1920s. He first worked with De Beers in Zambia and then purchased a declining diamond operation near Mabuki, Tanzania, in 1936. He struggled to make a living from it and to support his exploration for a new mine. In 1940, he

THE ECONOMICS OF DIAMONDS

Monopoly on supply has been a constant throughout the history of diamonds. Countries including India and its invaders and traders from Asia, the Middle East, Rome, Portugal, the Netherlands and England, have all monopolized the market in their time. So have companies such as De Beers.

Brazil’s diamonds were controlled by the colonial government and, with the potential for a glut after South African discoveries, De Beers and the Central Selling Organisation (now called the Diamond Trading Company) in London controlled sales and prices. With today’s global demand for diamonds, there is a glut no more.

Monopolies have disappeared, with the De Beers organization controlling a relatively smaller portion of the market — about 30 per cent of sales. Others, following Canada’s entry into the industry, have taken to separately auctioning their output, achieving better returns than under the earlier monopoly of De Beers.

The world’s top five diamond-producing companies — OJSC Alrosa (Russia), De Beers, Debswana (Botswana), Rio Tinto plc, and BHP Billiton — control 70 per cent of output. The limiting nature of the resource itself provides a firm floor under rough prices. Producers get their margins, but with cutting centres able to purchase through auctions, middlemen have been cut out of the chain. Better pricing to existing cutters was temporary, however, as selling by auction opened the door to cheap competition in India, China and other Asian countries that traditionally were cutting only the smallest diamonds. Traditional cutting centres are finding competition stiff from India, which is now cutting larger diamonds superbly and more cheaply. Some companies, to survive, have moved their operations to that country.

In the 1870s, world annual production of rough diamonds was well under a half-million carats. But by the 1920s, that figure was closer to three million carats and 80 years later, it has surpassed 100 million carats per year. In 2015, production was estimated at 126 million carats, including both gem quality and natural industrial. Gem diamonds were up two per cent, but industrial diamonds fell, mainly due to reduced operations in Zimbabwe and Australia.

— Yana Amis

WORLD DIAMOND PRODUCTION BY COUNTRY (000S OF CARATS)

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SOURCE: U.S. GEOLOGICAL SURVEY
*CANADIAN PRODUCTION OF GEM QUALITY ONLY (INDUSTRIAL NOT REPORTED).
**ALMOST ALL NAMIBIAN PRODUCTION IS GEM QUALITY
discovered the diamond pipe at Mwadui that became the Williamson diamond mine, which he developed. It turned out to be one of the biggest kimberlites ever found. Its most famous diamond is the Williamson Pink, a 23.6-carat stone he presented to Princess Elizabeth and Prince Philip on their wedding day in 1947. Williamson died in 1958. The mine is still in production.

Today there are five operating diamond mines in Canada. Ekati, Diavik and Gahcho Kue are in the cluster containing Charles Fipke’s discovery. The Victor Diamond Mine is at Attawapiskat in the James Bay region of Ontario and the Renard project is in central Quebec. A sixth, east of Prince Albert in Saskatchewan, is under development. It is said to be one of the largest diamond pipes ever found. Two other mines — Jericho in Nunavut and Snap Lake in the Northwest Territories — are currently dormant, awaiting better diamond prices.

A small diamond-cutting and polishing industry finishes Canadian diamonds. Crossworks Manufacturing Ltd., a subsidiary of HRA-Sun Diamond Group of Companies, operates factories in Vancouver, Yellowknife and Sudbury. The company takes advantage of government agreements through which up to 10 per cent of rough diamond production by value is provided to the factory at market price. Embee Diamond, a division of Embee Diamond Technologies Inc., operates a factory in Prince Albert near the fledgling Saskatchewan diamond mine.

Not everyone embraces the development of diamond mines. The Weenusk First Nation, a Cree community on the Attawapiskat River, had mixed feelings about De Beers’ new Victor Mine in their native territory. Chief Edmond Hunter said at the time: “It is difficult, because the youth wants development for their future.” The Cree at Weenusk share many values with the Cree peoples along the James Bay coast where traditional ways of life prevail over modern development.

The Victor Mine, however, is one of the richest in the world and a big chunk of the De Beers empire and the community has benefited in many ways: De Beers has paid more than $40 million in taxes since opening the mine and pays up to $2 million a year in royalties to Attawapiskat. And 35 to 40 per cent of the mine’s labour force is aboriginal. Further, De Beers claims that every diamond at the mine is mined in a “sustainable and ethical manner.” Still, some locals say that their river and their land made them happier before De Beers came into their lives.

Yana Amis is a mineral commodity economics researcher and president of a mining consulting firm.
Ukraine's quest towards the west

By Donna Jacobs
Kyiv, Ukraine

The streets of downtown Kyiv keep the memory alive that fewer than four years ago, under president Viktor Yanukovych’s regime, this capital city of Europe’s second largest country was on fire.

Ukrainian protesters were bludgeoned and shot by soldiers, police, secret service and even civilians called “titushky,” who were hired to support the police. Protesters saw many in their number picked off by snipers in surrounding buildings.

The protesters were almost all unarmed and fought back with whatever they had at hand, defending themselves with rocks, crude shields and burning tires.

Today, on sidewalks, there are chalk-white outlines of fallen protesters. Nearby, along a street renamed Heavenly Heroes Avenue, markers with photographs, candles, flowers and mementoes line the sidewalk to commemorate the known tally: 123 dead, including 17 police officers, and 27 missing.

It is not a case of “Lest we forget,” as much as “Never again.” Known as “The Ukrainian Revolution of 2014” and “The Revolution of Dignity,” its protests began on Euromaidan, also known as Independence Square in downtown Kyiv.

A BBC timeline with video of the violence and ferocity — Ukrainian to Ukrainian — shows how a protest turned into a revolt and then a revolution that toppled a Russian-backed government. It also shows how the Kyiv protest resulted in Russia taking over Crimea and waging war in east Ukraine in aggression Ukrainian President Petro Poroshenko recently described as similar to Moscow’s policies in Aleppo, Syria.

The protest started out as a simple demonstration by Ukrainians against their government because of a broken promise. Outrage at the betrayal, and then at the violent suppression, eventually drew between 800,000 and one million Ukrainians, many from other regions, to Kyiv’s Euromaidan. Hundreds of thousands, if not millions more protested around the country between November 2013 and February 2014.

They succeeded in doing something they didn’t think possible: Overthrowing their government, internationally infamous for its corruption, in a matter of weeks. They forced their president, Yanukovych, to flee. Unverified grainy CCTV film footage shows him and his aides being whisked away by helicopters, and trucks being loaded with a vast array of his possessions.

The BBC reported Russian President Vladimir Putin’s later comments: “I invited the leaders of our special services and the defence ministry to the Kremlin and set them the task of saving the life of the president of Ukraine, who would simply have been liquidated.”

He told members of the Valdai discussion club in Sochi that then-president Yanukovych had been removed from power.
by force after protests in February 2014 in which 100 people were killed. “I will say it openly — he asked to be driven away to Russia, which we did.”

By a combination of helicopter, truck and possibly boat, Yanukovych flew to eastern Ukraine and eventually arrived in Russia where he now lives in exile. He has publicly stated he wants to return to Ukraine.

Yanukovych was already known as Moscow’s man when he triggered the protest and his own fall from power after he broke his promise to sign the western-leaning European Union Association Agreement to form a framework for political, economic and security ties between Ukraine and the EU. Putin had already backed Yanukovych into a corner to halt the Ukrainians’ plan to re-establish their European roots.

Russia’s customs service halted all products from Ukraine coming into Russia. That further decreased income in an economy still suffering from the 2008 recession. Further, Russia outbid the EU on cash offerings: Russia would buy $15 billion of Ukraine’s debt and cut gas prices by one third. It was something Europe, heavily dependent on Russian gas, could not offer.

Yanukovych’s betrayal killed the hopes of many Ukrainians to move towards Europe and away from their subservient Soviet past and their Russia-dependent present.

The protesters, discontent with negotiations to end the protest, finally demanded Yanukovych’s resignation, stormed his opulent residence outside Kyiv and forced him to flee the city.

**Putin: “Return Crimea to Russia”**

At the end of a Feb. 22, 2014 overnight meeting with his top security chiefs to plan how to extract Yanukovych from Ukraine, Putin announced: “We must start working on returning Crimea to Russia.” Pro-Russian demonstrations were followed a few days later by masked, insignia-free Russian troops that took over key sites in Crimea, installed a pro-Russian government and declared Crimea an independent nation.

Crimea’s legislature and Sevastopol held a referendum in March whose overwhelming pro-secession results were disputed over wording and legality and the presence of Russian soldiers during the vote. A United Nations Security Council resolution declaring it invalid was vetoed by Russia, with China abstaining. In a UN General Assembly resolution vote, 100 countries declared it invalid and affirmed Ukraine’s territorial integrity; 11 voted against and 58 abstained.

Official referendum results (not OSCE-monitored) showed 96.55 per cent of voters wanted to join the Russian Federation. There are many ethnic Russians in Crimea because of the Russian naval base and they make up 60 per cent of the population, while 16 per cent are ethnic Ukrainians and 12 per cent are Crimean Tatars. Some Tatars, a Muslim people, were reported to have boycotted the referendum as Crimea was their ancestral land until Stalin had them brutally rounded up, packed in cattle cars and exiled thousands of kilometres away to Uzbekistan. More than 10,000 had fought with the Nazis, which poisoned Stalin against the entire population.

It was this expulsion that Susana Alimivna Jamaladinova, who goes by the stage name Jamala, a Ukrainian of Tatar ancestry, sang about in her song, “1944,” winning the Eurovision song contest in Stockholm in May.

The survivors and their descendants, numbering 250,000, only began to return to their Crimean homeland in the late 1980s when Mikhail Gorbachev, former president of the USSR, gave permission. In April 2014, Putin announced: “I have signed a decree to rehabilitate the Crimean Tatar population, the Armenian population, Germans, Greeks — all those who suffered (in Crimea) during Stalin’s repressions.”

Late in 2015, after years of what they said was peaceful but fruitless opposition to repression, some Crimean Tatars joined with Ukrainian nationalist paramilitary groups opposed to Russia’s annexation of Crimea. They imposed a trade blockade, stopping cars and confiscating some goods. Waging what is described as a low-level insurgency, they are believed to have been the saboteurs who cut power lines. It took more than a month to restore all electricity to Crimea’s two million residents. Their demands were for political repression to end and for political prisoners to be released.

The BBC reported that the referendum vote results produced great rejoicing in Crimea by huge ethnic Russian crowds. Britain’s Telegraph newspaper estimates between 15,000 and 30,000 Tatars have left Crimea since Russia annexed it. Weldar Shukurdiyev, a Tatar, said he was taken out of his house in Crimea and brought to a police station where two men beat him. “There were constant threats: they said they would make me eat the Ukrainian flag. Every five minutes somebody would enter and shout more insults.” He now lives in Kyiv. Many Tatars believe the Russian government in Crimea is trying to harass and drive their people out of Crimea, for the second time.

Tatars are now the “target of an escalating campaign of repression mounted by their new overlords,” says the newspaper, including the outlawing of Mejlis, the Crimean Tatar’s representative body “supposedly because it had been taken over by Muslim ‘extremists.’”

By the end of August this year, Russia had 29,000 troops in Crimea.
In its May-June 2016 issue, Foreign Affairs published an article by Daniel Treisman titled, “Why Putin Took Crimea.” Treisman concluded, based on interviews, that Putin worried that Ukraine’s new government would cancel Russia’s Black Sea Fleet’s extended lease and expel the fleet.

In a highly unpopular move, Yanukovych had extended the lease to 2042, from its 2017 expiry date, in return for cheaper Russian natural gas. He gave Russia a further five-year renewable term. He said the deal was struck because “it was important for our Russian colleagues and friends,” Ukraine’s Unian news agency reported at the time.

Putin’s fear of losing the naval base “seems plausible,” Treisman wrote, “since the Black Sea Fleet is crucial to Russia’s ability to project force into the Black and Mediterranean seas.” He asks: If the West and Ukraine had been willing to go along with the extended lease on the naval base in Sevastopol, would the loss of all of Crimea have been avoided?

Deadly civil war in eastern Ukraine
According to UN data, 31,400 people fell victim to the war in east Ukraine — more than 9,500 killed and 21,900 injured, with close to 1,000 unidentified bodies in Ukrainian morgues.

The staff of Ukraine’s defence ministry reports an average of 17 Ukrainian soldiers are killed each week and 57 are wounded in action.

Western nations rejected the referendum and the annexation. They cited the Budapest Memorandum on Security Assurances, which promised territorial integrity for Ukraine, Belarus and Kazakhstan in exchange for turning over their nuclear arsenal to Russia. Russian Foreign Minister Sergei Lavrov signed the memorandum before it went to the UN.

Ukrainian government soldiers are locked in a battle of nerves and attrition, injury and death, on their eastern border with Russian-backed Ukrainian separatists. The Ukrainian defence ministry provides round-the-clock information — a video and military briefing delivered by a general, on troop movements, weaponry, injuries and deaths (http://uacrisis.org/?s=lysenko).

The separatists on Ukraine’s eastern border with Russia, in the industrial Donbas region’s Donetsk and Luhansk provinces, are largely ethnic Russians. According to the ministry of defence, at the end of August, Russian or pro-Russian Ukrainian fighters in Donbas totalled for many of my friends, it had become an almost daily, or nightly, volunteer job. Millions of residents of Kyiv would do this, as the capital was 90 per cent anti-Yanukovych.

“I witnessed unprecedented growth of people’s consciousness as citizens, union, dedication. I saw strong faith. I saw Facebook, or other online media groups co-ordinating themselves, giving agile and exact answers on what to do first. I witnessed despair, I saw violence, I saw dead bodies on the Maidan Square, wrapped in blankets, and piled under February snow.

“Those who stayed on the main square all winter came mainly from west Ukraine. They were provided with really nice outdoor kitchens, and hot soups, sandwiches, cheese, sausage in variety, hot teas and cakes. All was organized perfectly well, not only for them, but also thousands of homeless and poor people could have perfect dinners on the Maidan Square any time.

“When there was no evident threat of assault, the main square hosted around 1,000 people in and around the tents. If an attack was expected, usually at night, there could be 50,000 at the time. Those from Kyiv would sleep at their homes, of course, and the rotation of people on the square was immense.”

The young man owns Kyiv City Guided Tours in English, as well as an English translation service. The in-depth historical and political background he delivers on his city tours comes naturally. His father writes books on Ukrainian and world culture and literature and his mother was a history teacher.

On Ukraine’s current situation, he said: “I expect more social protests later this fall. Those will be related to the housing, gas, electricity prices, which have risen immensely the last two years.

“I don’t think we shall see many more displaced people unless another big offensive campaign in eastern Ukraine from Russia follows. Mentally, east Ukraine residents tend to rely on ‘a bigger boss,’ rather than try to change the circumstances.

“I see Putin continue to destabilize Ukraine, no matter what happens [driven by] his obsessive idea of gathering back ‘one nation, one people’ — Ukraine, Russia, Belarus…."

EYE-WITNESS ACCOUNT OF EUROMAIDAN

Like hundreds of thousands of Ukrainians, a young tour operator named Svitozar Moiseiv went with his friends to Maidan Square, even one day ferrying tires in his car to supply the fiery barricades.

This is his description:
“When the protests grew into Maidan barricades, when winter came, and brought the first frosts, and violence, we were there delivering hot food, tea, warmer clothes, medicine, of course, all acquired at our own expense. We would also help to patrol the night streets, as the city was then full with Yanukovych-side summoned half-criminals, mainly from the eastern regions of Ukraine.

“The latter would ravage the city, create horror, even abduct and kill people. Many days would pass like this, and...”
Russia ‘lied to the whole world’

Ivanna Klympush-Tsintsadze gave this interview to Diplomat Magazine in March when she was a Ukrainian MP and deputy chair of the foreign affairs committee. She has since been named vice prime minister for European and Euro-Atlantic integration of Ukraine. This is an edited version of her remarks.

On Russia’s annexation of Crimea

A member of the UN Security Council is attacking you, pretending there is nothing happening — bluntly lying to the whole world about taking part of your territory. And us just watching on TV these helicopters flying into Crimea. One, Two, Three. Four. Eight. Twelve. And we were not at that point [ready]. We didn’t have any force to respond.

I am sorry we couldn’t get a grip on ourselves from our wound that we had from Maidan [the protest that met with deadly government force] after the loss of our people. So they just came in to take our Crimea.

And then, after a year, [Russian President Vladimir Putin] saying on TV “Yes, we did have to bring in our little green men”

So I am eternally grateful to everyone who has responded in our way. Everyone is helping in a way.

We did what we could, every single person did. Now it’s more organized, locally and internationally.

The economy

We have to go through austerity measures, which are not enjoyed by the society. [Gas and electricity prices] rose 400 per cent, so it’s huge. At the same time, we had a devaluation of our currency. We put a tax of 15 per cent on pensions to survive.

The economy is in a very difficult state because we lost 20 per cent of it with the loss of Donbas. There are difficulties in getting pensions to people in the occupied territories, yes, unfortunately, even those trying to secede.

Referendums

We are making it so people in the occupied territories can decide their future — local elections with Russians out and security on the spot, following the process [set out] in the Minsk Agreement to halt the war in Donetsk and Lugansk provinces in Donbas.

Totally Russian-speaking people from different parts Ukraine are actually dying to protect Ukraine in the east, going as volunteers to protect the country from Russian aggression. This is totally not about the language.

Internally displaced people (IDP)

We have 1.5 million people internally displaced here and 1 million have emigrated. The country’s policy is to put the burden more on local authorities. We don’t have a comprehensive system for providing for them. With 65 million refugees in the world, we are not contributing to European problems.

We are trying to solve it here on our own, however difficult our situation is. We are not getting directed and focused international support to deal with our IDPs.

People here started providing them with shelter, clothing, dishes, children’s clothes — everything. Or they find someone to pay for electricity. Everybody is helping in a way.

We did what we could, every single person did. Now it’s more organized, locally and internationally.


dispatches | Ukraine

35,300. Of those, 6,100 are troops from the Russian Armed Forces.

The term “little green men” came to apply to the many green-uniformed, masked Russian soldiers whose insignia were stripped off. Putin denied for months they were, in fact, Russian soldiers until finally, matter-of-factly, he admitted it.

The war in Donbas is active and vastly under-reported in the western media, despite the fact it has driven the West’s ongoing punishing sanctions against Russia for invading Crimea and its provocation and support of the civil war. Its statistics are grim — 2,500 Ukrainian armed forces, national and border guards and law enforcement officers killed since April 2014, among them 2,110 slain armed forces members and 6,868 wounded.

These statistics, of course, don’t include Malaysia Airlines flight MH17 from Amsterdam. It was shot down in rebel-held territory in July 2014 near the village of Grabove in east Ukraine killing 298 people. The Dutch Safety Board concluded it was shot down by a Russian-built Buk surface-to-air missile over Eastern Ukraine. The final report to determine whether it was shot down by Russian soldiers or pro-Russian separatists is not complete. Russia blames the Ukrainian army.

Observers say it may be another frozen conflict that Putin is using to form his New Russia from former USSR satellite countries with large Slavic populations seeking the benefits of Russian citizenship and/or residence.

Putin uses “passportization” as the wedge, inviting ethnic Russians to renounce their host country, trade passports and become Russian Federation citizens instead.

J. Paul de B. Taillon, adjunct professor at the Royal Military College in Kingston and at Joint Special Operations University in Tampa, explains Russia’s recent actions in an article published in 2014 by the Toronto-based Mackenzie Institute.

“The soft annexation of these two provinces was facilitated by the distribution of Russian passports — a process known as passportization — and the subsequent installation of Russian officials into government posts. Putin’s stratagem is to provide Russian passports to Ukrainians of Russian origin, as he would then be “obligated” to step in to protect Russian citizens, as well as ethnic Russians, in his perceived role as a protector of all Russians.

“The Russian consulate in Simferopol, the capital of Crimea, recently abetted the annexation by providing Crimea’s ethnic Russians with access to Russian passports.

“By accepting a Russian passport, the receiver is legally included in the Russian body politic, with all the rights of a Russian citizen. By the time the five-day Russo-Georgian conflict commenced, 90 per cent of the population of the two provinces were documented Russians; however, the territory belonged to Georgia.

“This issue of Russian citizenship provided an excuse for Russia’s intervention
and annexation of Georgia. Importantly, this incident was foretelling the event in Crimea and possibly the future of eastern Ukraine.”

An official EU report on casualties in Georgia: 170 soldiers, 14 police officers and 228 civilians from Georgia were killed and 1,747 wounded; 67 Russian soldiers were killed, 283 were wounded and 365 South Ossetian soldiers and civilians (combined) were killed.

Those two provinces are officially still part of Georgia, but are Russian-supported and have Russian “peacekeepers.” UN observers left when, at the UN Security Council, Russia exercised its veto to prevent their staying on. In January, The Hague’s International Criminal Court authorized an investigation into possible war crimes by the forces from Russia, Georgia and South Ossetia.

Real-politik analysts say NATO countries may, next year, tighten sanctions they put on Russia for annexing Crimea and its invasion of Ukraine. NATO’s 28 members are themselves split — despite the recent unanimous decision to extend sanctions against Russia into 2017, Italy, Greece and Hungary have reportedly voiced concerns.

Stalin’s death-by-hunger campaign

Ukrainians, especially those outside the Donbas Region, have a dispute with Russia, generations old, but still raw, known as Holodomor or “death by hunger.” The USSR had suppressed not only Ukrainian culture and political freedoms but, Joseph Stalin massively, genocidally, punished Ukrainians for their adherence to their own culture and because he feared their nationalism.

In July, Prime Minister Justin Trudeau visited the Holodomor memorial, and also the Babi Yar Monument commemorating the ravine where an estimated 100,000 people, mostly Jews, as well as Roma, Communists and Soviet war prisoners, were killed by Nazis and Ukrainian collaborators during the Second World War.

In 1932 and 1933, Stalin systematically starved to death 10 million Ukrainians. Peasants, there and in some regions of the North Caucasus, were forced to meet punishing crop quotas for export in exchange for machinery for Stalin’s rapid industrialization policy. Anyone caught hiding food or “stealing” even a few grains was imprisoned, deported or shot — even as vast stores of food waiting for transport rotted before their eyes. Survivors were the ones who mistrusted the Soviets’ promise to share the food they produced — those who buried or hid food.

To this day, Ukraine contains 25-30 per cent of the world’s humus-rich “chernozem” black soil. Often described as “Europe’s bread basket,” it has the world’s eighth-largest farming area, equal to one third of the EU. And in 2014, it was the world’s No. 3 exporter of corn and barley, No. 6 exporter of wheat and is the world’s No. 1 sunflower oil exporter. Canada is investing $13 million to equip Ukrainian farms with a system of grain co-operatives like those used in Western Canada.

Editor’s note: Just before Diplomat went to press, Ivanna Klympush-Tsintsadze updated war and peace scenarios.

Foreign aid

We are getting money from the World Bank, the European Bank of Reconstruction, the EU, the U.S. and Canadian governments.

The top donor is the IMF, then the World Bank, then the EU, then the U.S. but the U.S. is No. 3 if we consider guarantees we can borrow against.

Sending Ukraine offensive weapons

European governments [decided] that they and NATO can help with defensive weapons or equipment such as [protective] vests and night-vision goggles. Some are helping [with offensive weapons. We bought ammunition from Great Britain and smaller amounts from Estonia, Lithuania and Poland.

Mostly, it comes as non-lethal support. We are producing quite a few weapons. It was expensive to build [production.] Now we are one of the top-10 producers in the world.

Countries believe that providing us with weapons or military support — [she breaks off]. They don’t want to alienate Russia. We started to build a factory to produce bullets.

Corruption in Ukraine

Two answers. Yes, we do have a problem of corruption, but yes, we are fighting it. In 2015, bylaws established institutional capabilities for transparent competitions for choosing people. There were 10 judges behind bars for last year. Now we’re already investigating 80 cases, just judges. This means this will bear fruit.
Ukrainian President Petro Poroshenko recently compared Moscow’s aggression in Ukraine to what it’s doing in Aleppo, Syria.

Ukraine’s identity surge
Language in every country of mixed ethnic populations is often a trigger point and with the historical suppression of Ukraine’s language and current policy switches on the status of the Russian language, it is a particularly contentious issue.

According to writer Britt Peterson, in the Boston Globe, “When the new Ukrainian Parliament abruptly vetoed legislation that had granted Russian official-language status in many parts of the country, Putin was quick to claim discrimination. In fact, the charge that Russian-speakers in Crimea were under threat was a prime excuse for the invasion. Like much in Russia’s long narrative of threat was a prime excuse for the invasion.

The new Ukrainian government has subsequently reversed that official language legislation.

Even as Putin is openly reconstituting his Slavic, ethnic Russian member states, some Ukrainians say it is not the Russian language, but rather Ukrainian that has been castigated and discouraged.

Anastasiia Shapkina, media relations officer at the Administration of the President of Ukraine and a tour guide for visiting journalists, described the dominance of the Russian language and social stigma attached to speaking Ukrainian.

“For more than 300 years, Dnipropetrovsk [now Dnipro] the city was under great influence of the imposed Russian culture, so only very few people there spoke Ukrainian. It was considered very lame and, in a way, unworthy to speak Ukrainian.

“When I moved from my native town of Tsarychanka, where people speak the language of surzhyk [a mix of Ukrainian and Russian] to my college city of Dnipropetrovsk, I decided to use proper Russian so as to be accepted and fit in.

“However, after the second year of education, I went to the western Ukraine for a week-long trip. I was so amazed by what I saw and experienced — people, culture, cuisine, sights — that for the first time in my life I felt truly Ukrainian, and more, I felt very proud for being Ukrainian.” She spoke Ukrainian thereafter and lived with the resulting “looks of disdain.”

Floundering economy and Canada’s boost
Since 1991, Canada has given more than $493 million for Ukraine’s development, mostly directed at economics and democratic and governance reform.

Trudeau visited Kyiv in July, where he and President Petro Poroshenko witnessed the signing of the Canada-Ukraine Free Trade Agreement. Its goal, beyond increasing mutual trade and investment, is to support Ukraine’s turn westward.

In 2015, Canada exported more than $210 million to Ukraine, including fish and seafood, coal and pharmaceuticals, while Canada’s imports totalled more than $67 million, including iron and steel, anthracite coal and fertilizers.

Former prime minister Stephen Harper visited Ukraine several times, and was the first G7 leader to visit after Russia annexed Crimea. He and Ukrainian Prime Minister Arseniy Yatsenyuk announced the agreement valued in July 2015 at $41 million to Canada.

Since January 2014, Canada has pledged more than $700 million in assistance, which includes a low-interest loan of $400 million and $240 million to boost democracy and economic growth.

Large donors to Ukraine are NGOs, such as the Toronto-based Friends of Ukraine Defence Forces Fund that raised $3 million recently to buy supplies for Ukrainian soldiers, including body armour, medical kits, water purification equipment and vehicles.

Citing a special country-to-country bond, the Ukrainian government has repeatedly thanked Canada for financial aid and its contribution to Ukraine’s self-defense military campaign, including ballistic face shields, night vision goggles, body armour, helmets, sleeping bags and cold-weather clothing worth $23.5 million. And under Operation Unifier, expected to cost $32 million, soldiers of the 1st Battalion from Petawawa’s Royal Canadian Regiment are teaching military skills and combat medicine.

The U.S., Poland, Australia, Britain, China, Slovak Republic, Turkey, Norway, France and the Netherlands have variously contributed medical equipment, meal packs, body armour, power generators worth more than $56 million, according to the Ukraine defence ministry’s 2015 calculations.

With the economic downturn of 2008, the country was already struggling financially and now has the added costs of defending itself against Russia’s incursions. Russia has announced it will sue Ukraine for defaulting on a $3-billion loan.

The World Bank puts Ukraine’s average GDP per capita for 2015 at $2,115 US, down from $3,990 in 2013, when the country wasn’t involved in this civil and foreign war. Tradingeconomics.com places Ukraine’s GDP per capita, taking into account purchasing power parity, at $7,449.77. According to the State Statistics Committee, the average monthly salary in Ukraine is about $140 US.

Prices are steeply increasing and interest rates are high. Some of the euphoria from the heady days of the protests has worn off in a country long schooled in cynicism about government corruption.

The Corruption Perception Index 2014 by Transparency International noted: “Ukraine did not overcome the threshold of ‘corruption disgrace.’ Having received only one additional point, in comparison with 2013, Ukraine remains in the club of the most corrupt countries.” In the 2014 index, Ukraine was in 142nd place of 175. In 2015, its score improved to 130, putting it on a par with Cameroon, Iran, Nepal, Nicaragua and Paraguay.

Corruption is part of the reason members of the European Union have persis-
tently refused to open full membership to Ukraine, however embattled it is by its Russian neighbour.

Ukraine took a new hit after the EU-Ukraine agreement removing trade barriers was ratified by 27 of the 28 countries. A voter referendum in April in the Netherlands rejected the EU partnership with Ukraine, despite the fact the Netherlands’ parliament already approved it.

It doesn’t help dampen cynicism that Ukrainians can, and do, in astounding numbers, visit Yanukovych’s palatial residence, Mexhyhirya Residence Museum outside Kyiv, complete with zoo and antique car collection. Wrote one tourist in TripAdvisor: “Golf course, amazing opulence, gold, gold and more gold, boxing ring, ten-pin bowling alley.” It is one of Ukraine’s top tourist attractions.

**Judges under fire for corruption**

In March, in the continuing new era of citizen protest over corruption, the Kyiv Post (whose motto is Independence, Community, Trust) published the huge headline: Corrupt Courts Keep Crooked Judges.

The story’s lead paragraph: “Ukraine had just finished marking the two-year anniversary of the murders of more than 100 protesters during the Euromaidan Revolution, crimes that remain unpunished, when a court on March 1 decided it was too late to fire judges who made illegal rulings during the three-month uprising that toppled President Viktor Yanukovych.”

The newspaper published names and photos of judges and a court administrator, including one who approved jailing of a demonstrator for two months, and another who ruled police could storm the protester-held Kyiv City Hall in December 2013.

Continued from page 79

Russia is turning the Ukrainian resort area of Crimea into a military base. Moreover, it is becoming a grey zone, which is de facto not covered by the existing multilateral arms control agreements.

**Has fear of annexation of Luhans and Dones in the Donbas region increased?**

Russia aims to turn Donbas into a powerful leverage over [Ukrainian domestic and foreign] policy and a long-term destabilization tool targeting the Eastern Europe. Mainly by imposing selective or partial implementation of the Minsk agreements, it is actively promoting a number of scenarios, representing a strategic threat to peaceful settlement and stabilization in Ukraine, but also for European security.

The scenarios include:

1. The forced federalization of Ukraine through unbalanced and unfounded decentralization reform imposed by Russia. This could trigger a chain reaction of similar demands from the other regions across Ukraine and lead to stronger disintegration sentiment in Europe.

2. Local elections in Donbas under de facto Russian occupation without ensuring sustainable de-escalation and clear security will legalize terrorist entities, reinforce separatist political extremism and prevent reconciliation.

3. If it happens, the legalization of the 40,000-member army of militants under the full control and direct engagement of the Russian regular military and secret service would entrench and legalize a long-term source of immense military and terrorist threat to Ukraine and Europe, facilitating uncontrolled arms production and trafficking, including to terrorists.

4. The Russian strategy of bleeding Donbas by imposing on Kyiv full economic and financial responsibility for this intentionally devastated region without providing Ukraine with real control over these territories will cause Ukraine’s long-term exhaustion.

Nevertheless, [given] the unpredictable and dangerous actions of the Russian leadership [in recent] years, let us not exclude even the worst scenario of a full-scale Russian invasion.

**What are the chances of peace, instead, with Russian withdrawal?**

The lifting of sanctions against the background of continuing violations of fundamental international legal norms by Russia — [those] in the UN Charter and Helsinki Final Act — will [disrupt] the international security architecture with unpredictable consequences.

Sanctions are the only effective and peaceful instrument of deterrence of Russian aggression in Europe. Together with the other kinds of pressure, they have brought concrete results — Russian aggression in Donbas was localized. Taking into account that Ukraine’s international partners refrain from supplying Ukraine with lethal weapons and [refrain from] helping to deter the Russian military offensive, sanctions are, in fact, the only viable instrument to support Ukraine.

Nevertheless, even the strongest sanctions can fail to stop Russia from escalation. To be realistic, only a clear signal [to Russia] that any aggressive actions would face immediate and resolute reaction by the democratic world, up to the use of military force, [could allow us to] avoid the worst scenario.

**What do you most want from the west at this moment?**

Since Russia unleashed an armed aggression against my country, many western countries, including Canada, have joined efforts in various [ways] to help Ukraine. Without this help, it would be very difficult for us to resist heavy attacks on all fronts — military, economic, humanitarian and information. I would like to express our sincere gratitude to Canada and other our friends for these priceless efforts.

My strongest appeal to the international community is to consolidate and maintain pressure on Russia until it stops aggression and returns to adherence [of] international law.
On Ukrainian defence

*Diplomat* contacted Ukraine’s defence ministry’s military intelligence, press service and public affairs office, which provided these answers in late August.

1. Could you supply up-to-date figures on war deaths and injuries in 2015 and 2016?

2,504 Ukrainian soldiers, within the Ukrainian armed forces, the National Guard, Border Guard and various law enforcement agencies have been killed. These include 2,110 armed forces troops killed in action and 6,686 wounded in action since the start of the Anti-Terrorist Operation, which began in April 2014. The average number of war casualties among Ukrainian troops is estimated at 17 killed and 57 wounded in action per week.

In 2016, 645 militants [pro-Kremlin Ukrainians, Russian volunteers and other pro-Russian fighters] were killed. 15,949 Russia-backed militants were killed in action since the start of the anti-terrorist operation.

2) Is it, in your estimation, a “hot” war?

President Poroshenko said Russian actions in eastern Ukraine are similar to Moscow’s aggressive policies in Aleppo, Syria, when talking to CNN. We have observed an escalation of ceasefire violations throughout August with more frequent fire from heavy weapons (mortars and cannons banned by the Minsk accords) and armoured vehicles against Ukrainian troops. Nevertheless, Ukrainian Armed Forces hold their positions and observe the Minsk agreements while being ready to fight off any advance of the enemy. According to Defence Minister Gen. Stepan Poltorak and Gen. Viktor Muzhenko, we do not rule out a full-scale Russian military invasion.

3) What are the numbers of Russian soldiers, as well as Russian and Ukrainian militants, in East Ukraine?

There are approximately 35,300 militants of the “DNR” [Donetsk] and “LNR” [Luhansk] in eastern Ukraine. Approximate numbers of military hardware on the occupied territories in Donbas: 480 tanks; 940 armoured military vehicles such as BTR armoured personnel carriers (APCs), BMP infantry fighting vehicles, 760 artillery systems; 210 multiple rocket-launcher systems; 400 anti-aircraft systems. The Russian proxy army in Ukraine does not possess military jets or helicopters so far.

The Russian military contingent in eastern Ukraine: Apart from Russia’s proxy army, there is a Russian contingent made up of active service members of the Russian armed forces. These are eight battalion tactical groups and six platoon tactical groups. The total number of Russian regulars on the occupied parts of Donetsk and Luhansk regions is 6,100 members of the Russian Armed Forces.

Approximate numbers of military hardware on the occupied territories of Donetsk and Luhansk regions: 197 tanks, 409 armoured military vehicles, such as APCs and IFVs, 139 artillery systems, 87 multiple rocket launchers, 66 anti-aircraft systems.

4) Where have injuries and deaths occurred?

Ukrainian soldiers contain aggressive actions of Russian regulars and their proxies along the whole front line, stretching from the Ukraine-Russia border through the Donetsk and Luhansk regions to areas east of Mariupol along the Azov Sea coastline.

5) How are the Minsk Accords working?

Russian proxy forces violate the ceasefire on a daily basis, targeting Ukrainian troops and civilian households in frontline towns and villages. The average number of militants’ violations are 60-70 shellings per day. All of them pursue the goal of escalating conflict by provoking Ukrainian troops to retaliate in order to use it later in Russian state-run propaganda portraying Ukrainian Armed Forces as violators of the ceasefire.

Ukrainian troops open fire only to suppress firing spots of the enemy and to safeguard the lives of service members and civilians if a mortal threat to their health arises.

Russia-backed militants systematically use heavy weapons, such as 82- and 120-millimetre mortars and 122- and 152-millimetre mortars and rocket artillery. All of these weapons are banned by the Minsk Accords.

Militants grossly violate the peace process by deploying heavy arms in close proximity to the front line and obstructing the work of the OSCE special monitoring mission.
6) How many Russian forces are massed at the Ukrainian border?
Russian troops close to Russia-Ukraine border: Approximately 10,700 troops. Military hardware includes 104 tanks, 412 armoured fighting vehicles, including armoured-personnel carriers (APCs) and infantry fighting vehicles (IFVs), 84 artillery systems, 60 multiple rocket launchers, 470 military jets and 300 helicopters.

Russian soldiers are also involved in electronic warfare and reconnaissance missions against Ukrainian troops. Russian National Guard units are regularly deployed to eastern Ukraine to boost the mood and morale of local militants and act as barrier troops.

In terms of direct combat actions, the Kremlin tries to hide its direct involvement and rarely puts its soldiers on the front line except for the key battles of the war.

Military intelligence reported the recent transportation of 168 members of the Russian Air Defence battalion from Vladivostok to eastern Ukraine. They are equipped with the Tor-M2U anti-aircraft system (NATO classification name: SA-15 “Gauntlet”) that has similar characteristics to the BUK missile system that Russian-backed militants used to down Malaysia Airlines Flight 17 on July 17, 2014.

7) What is the war action there?
Russian officers assumed control over the whole chain of command of the proxy army in eastern Ukraine (a list of detected Russian officers is published on Ukraine’s Military Intelligence website.)

Ukraine enjoys the unprecedented support of the west, starting from the universal condemnation of the Russian illegal annexation of Crimea in March 2014 and the invasion of eastern Ukraine. The support for Ukraine was reaffirmed by Canada’s Prime Minister Justin Trudeau, U.S. President Barack Obama, as well as the EU leaders, particularly members of the peace talks — German Chancellor Angela Merkel and French President François Hollande.

Western states provided military assistance to Ukraine — from night-vision goggles and gear to counter-battery equipment, drones, Humvee armoured vehicles and military hospitals.

The United States played a particularly important role in setting up training grounds and training brand new Special Operations Forces. The first 29 sergeant-instructors have graduated and now train the elite SOF units together with the U.S. advisers.

As a result of the NATO Summit in Warsaw last July, Ukraine has a NATO Comprehensive Assistance Package that tackles 40 different aspects of national security and defence reform.

Ukraine is already executing orders to modernize the armed forces. Just yesterday, Defence Minister Stepan Poltorak strongly argued for a rational and efficient use of resources provided by our western allies during a meeting with heads of military departments.

Ukraine has adopted fundamental military strategic documents, such as a national security strategy, military doctrine and strategic defence bulletin. This work involved NATO experts for the first time in the history of Ukraine and reflected our priorities of Euro-Atlantic integration and modern national security threats. Notably, Russia has been explicitly named as an aggressor in Ukraine’s military doctrine.

Ukrainian troops are eager to learn from their western counterparts. Ukrainian Armed Forces and the National Guard take part in multinational military exercises on Ukrainian and foreign soil. The multinational exercises include British training courses of Ukrainian infantrymen, Canadian courses for Ukrainian military engineers, as well as the largest war games in Eastern Europe – Anaconda-2016 (Drawsko Pomorskie, Poland). We are determined to ramp up our co-operation with NATO and individual member states to enhance the interoperability of our military units.

The first sign of integrating Ukrainian troops with NATO is a joint Polish-Lithuanian-Ukrainian brigade. So far, it has participated in Anaconda-2016 war games and showcased Ukraine’s western orientation by joining the military parade on independence day on Aug. 24.
A BLOODY AIRPORT BATTLE

The battle for Donetsk Airport in eastern Ukraine has become one of the most famous of the war in Ukraine. A Ukrainian airborne platoon was the last to defend the airport. The soldiers who lived, fought and died there over the months had become known as “cyborgs” for their superhuman effort on little food, little sleep, too little equipment and, in the last days, undergoing bombardments night and day.

Sergei L. Loiko, a freelance photojournalist for The Los Angeles Times, covered the battle for the airport in its last days. His gripping story “How Ukraine’s outgunned ‘cyborgs’ lost Donetsk airport” in the Times is the story of that battle.

“For 242 days, they had held out against separatists who bombarded them from beyond the runways and prowled above and below them in the wreckage of a terminal at the airport,” he wrote. Finally, in mid-January 2015, they fled. “The battle had been lost.”

All the men were with the same airborne brigade that was the last to defend the terminal, an eight-month battle that had left dozens dead and hundreds wounded. He sent along these descriptions.

“When I was there, a separatist appeared on the second floor of the new terminal and shot a grenade from a grenade launcher into the door of a command room. The grenade stuck in the wall and exploded. “Everyone inside suffered a concussion, including myself. And the guy who was killed after I left is in one of my images. I personally know about a dozen soldiers from the airport. I don’t know what happened to the others.

“What I’ve seen at Donetsk Airport, I haven’t seen in any war,” he told Christina Berdinskykh of Voices of Ukraine (nvua.net). This was his 25th mission to a war zone.

“The old terminal is open from all sides, it is just utter hell. And the new terminal is terrible in that there is a three-dimensional encirclement. The separatists are not only at the perimeter, they also sit in the basement and on the third floor. So the first and second floor are controlled by the Ukrainian army, and in the basement and on the third floor, there are separatists.

“Once in a while they jump out and make raids and so on. Both sides booby-trap the passages; everyone walks around them, no-one knows where these mines are. In the airport, I have witnessed a lot of absolutely heroic episodes.”

He said the soldiers ate little, slept little; their staple was adrenalin. “They cherished water; it is as precious as ammunition.”

He told Berdinskykh that he was “struck by the soldiers’ eyes. The eyes are bright, they burn with an inner fire, intelligent, piercing.”

These photos, taken by Loiko, himself pictured at bottom right, were hanging in The National Museum of the History of the Great Patriotic War of 1941-1945 in Kyiv. They were the most memorable of the images seen on this journalist’s trip.

Donna Jacobs is Diplomat’s publisher.
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Strong stateless minorities

Some states are home to many nations — think of the Tamils in Sri Lanka and the Kurds in Iraq. They, and their counterparts in other countries, aspire to varying degrees of autonomy, if not outright statehood. We list 10.

By Wolfgang Depner

As the First World War drew to its end, U.S. president Woodrow Wilson’s famous Fourteen Points called for a settlement that would permit nations to determine their own fate.

While we may question the intellectual consistency of this demand, as the United States itself had recently joined the ranks of imperialist powers with overseas possessions, it raised undeniably high hopes.

For the losing side of the war, especially Germany, it held the promise of a peace among equals. For the people chafing under foreign masters, it held the promise of liberty.

However, the settlements that eventually emerged satisfied none. Attempts to revise the Treaties of Versailles, Trianon and Sèvres soon turned entire continents into bloodlands during the 1930s and 1940s and undermined the legitimacy of nationalism as the ideological conflict between capitalism and communism roughly divided the world into two camps following the horrors of the Second World War.

The steady, voluntary transformation of national sovereignty into shared sovereignty, especially on the European continent, and the “thinning” of borders thanks to modern transportation and telecommunication technologies following the end of the Cold War, spelled the anticipated end of nationalism. Yet it has never gone anywhere.

The externalities of globalization, some genuine, some perceived, have re-animated nationalistic grievances and solutions, with the America First language of Republican Donald Trump and Brexit as obvious examples.

The world also remains a smoldering cauldron of ancient aspirations for statehood and the list below tracks the most populous people sharing common traits such as language, culture and history, among others, without their own internationally recognized state.

This list points to the central problem that continues to confront Wilson’s concept of self-determination. As Canadian historian Margaret MacMillan asked, did he really intend that any people who called themselves a nation should have their own state? What made a nation? If a nation is not self-governing, should it be? How much self-government suffices? “Could a nation, however, defined, exist happily within a large multinational state?” MacMillan asks.

Canada, for example, is home to a French-speaking people occupying a relatively well-defined territory (the Québécois in the Province of Quebec) and to hundreds of indigenous First Nations with historical, yet vague — often overlapping, sometimes non-contiguous — territorial claims. Other federal states, such as Nigeria and India, which play a prominent role on this list, are also home to many nations, all of which aspire to varying degrees of autonomy, if not outright statehood.

This list arranges entries numerically in descending order with all population figures — unless otherwise stated — drawn from James Minahan’s *Encyclopedia of the Stateless Nations*, perhaps the most authoritative account on the subject. All of his figures are estimates from 2002. More contemporary figures are available in some cases, but often vary widely from source to source, so we erred on the side of caution. The list below supplements Minahan’s description of the various people with journalistic, as well as non-journalistic accounts.

1. Tamils (67 million)

Eight years ago, a suicide bomber of the Liberation Tigers of Tamil Eelam tried to kill Maithripala Sirisena. Today, many of the 67 million Tamils living inside and outside Sri Lanka see Sirisena as a personification of reconciliation.

He was serving as minister of agriculture in the government of former Sri Lankan president Mahinda Rajapaksa when the would-be assassins attacked his convoy while it was travelling through the capital of Colombo. While Sirisena survived the attack, it killed one of his aides during what would be the final stages of an unsuccessful Tamil insurgency against the Sinhalese majority of Sri Lanka.

The insurgency lasted nearly 26 years and ended in May 2009 when government forces launched an attack against the remaining Tigers in their last stronghold.
Sirisena’s policies towards the Tamils of Sri Lanka appear to reverse decades of ethnic discrimination.

The attack killed most of their senior leaders and approximately 40,000 others, most of them civilians, according to United Nations estimates. Overall, the UN estimates the conflict killed up to 100,000.

Yet the failure of Rajapaksa to win the peace prompted Sirisena to break with Rajapaksa, whom he sensationally defeated during presidential elections in January 2015.

Sirisena’s victory has stoked hopes for a better future among the Tamils of Sri Lanka, who make up about 15 per cent of the country’s 22 million people.

They (along with Sri Lanka’s Muslim minority) made up an important part of the winning coalition that catapulted Sirisena into office on promises of political reforms designed to curb what critics had called Rajapaksa’s creeping authoritarianism.

Sirisena’s government has since promised to release hundreds of Tamil detainees and return much of the Tamil land in the north and east of Sri Lanka, where the Tigers sought to create an independent Tamil state. Sirisena has also announced plans for a truth and reconciliation commission in a bid to heal the many wounds on the Sri Lankan body politic.

The country (which was called Ceylon until 1972) has not only experienced decades of ethnic strife, but also two Marxist insurgencies, since its independence nearly 70 years ago. Sirisena was once a communist insurgent himself.

Sirisena’s policies towards the Tamils of Sri Lanka appear to reverse decades of ethnic discrimination that had previously fuelled Tamil nationalism and, by extension, debilitated Sri Lankan development.

“For the Sinhalese people to live happily in this country,” he has said repeatedly, “the minority communities must also be happy.”

This attempt at national reconciliation also has regional, even global implications. India — home to 60 million Tamils — has previously criticized the failure of Sri Lanka to grant its Tamil population greater autonomy.

Ethnic and linguistic ties between Tamils living in India and Sri Lanka run deep, dating back 3,000 years. As a Dravidian people, they represent one of the indigenous peoples on the Indian subcontinent and share the same language. Most Indian and Sri Lankan Tamils — along with much of the Tamil diaspora living across the world, including Canada — are also Hindus, so it is not surprising that Indian Prime Minister Narendra Modi, a Hindu nationalist, became the first Indian leader to visit Sri Lanka in nearly three decades when he stopped there in 2015, fewer than two months after Sirisena had secured his victory over Rajapaksa, who had been building stronger ties with China, India’s continental rival.

Sirisena, for his part, chose India as his first official overseas trip.

2. Hausas (39.3 million)

While many outside of West Africa are likely unfamiliar with the Hausas, it is highly probable they might have heard a phrase from the Hausas’ language — Boko Haram, which The Economist translates as “western education is forbidden.”

A jihadist group under said name has been pillaging parts of northeastern Nigeria for at least seven years, during which it has killed at least 20,000 people. Boko Haram grabbed glaring global headlines in April 2014 when it abducted 276 Nigerian schoolgirls. This incident inspired the global #BringBackOurGirls social media campaign supported by American First Lady Michelle Obama and Pakistani Nobel Peace Prize winner Malala Yousafzai that drew attention to the common practice of sexual slavery among all jihadist groups.

Unfortunately, horrific events else where have since diminished global attention to the plight of northeastern Nigeria, the Hausas’ heartland. Overall, 30 million reside in Nigeria, according to Minahan. About 5.83 million live in Niger. Countries with smaller communities include Benin, Togo, Cameroon, Ghana, Sudan and Burkina Faso. Their language is also the lingua franca of much of West Africa.

Most Hausas are Sunni Muslims, a historical legacy of their location at the southern terminus of the Saharan caravans that spread Islam south and slaves north of the equator.

Relations between the Hausas in the Muslim north of Nigeria and the other major ethnic groups in the largely Christian south of Nigeria have never been easy, either before or after modern-day Nigeria had declared its independence from the United Kingdom in 1960.

As The Economist notes, Nigeria did not exist until British colonialists drew a line around hundreds of “fractional ethnic groups.” Among these, three major groups dominate: the Muslim Hausa in the north; the Christian Yoruba in the west; and the Christian Igbos in the south.

Approximately 30 million Hausas live in Nigeria.

While the southern Yorubas (see later entry), Igbos (see later entry) and other Christian groups rapidly modernized, the Hausas retained their traditional structures centred on Sharia law. The discovery of oil in southern Nigeria only deepened the socio-economic and political differences between the competing ethnicities. Fearing domination by groups that they had once enslaved, Hausa leaders considered various schemes to either subdue the other groups or form their own state.

In the end, the Hausas regained power commensurate with their numbers, often by brutal methods, as was the case between 1967 and 1970 when they crushed an unsuccessful attempt by the Igbos to...
Decades of Muslim military governments eventually ended in the late 1990s when international pressure forced the various ethnic groups into a democratic power-sharing agreement.

However what Minahan has called a “volatile mix of religion, ethnic nationalism and perceived marginalization” has once again stoked Hausa nationalism and its companion, Muslim fundamentalism. This said, it is important to note that many of Boko Haram’s victims are Muslims themselves. In fact, reports indicate that the group has split over the question of whether they should continue to target mosques and fellow Muslims.

3. Andhrs (38.5 million)

British-Indian novelist Salman Rushdie famously described modern-day India and Pakistan as midst’s children, an allusion to the partition of British India as Aug. 14 turned into Aug. 15, 1947.

This monumental event, which led to the death and displacement of millions, loomed in the background in 2014 as the state of Andhra Pradesh experienced its own bifurcation.

As the calendar flipped from June 1 to June 2, Andhra Pradesh lost almost 115,000 square kilometres, or 42 per cent of its pre-partition territory, to the newly formed state of Telangana, India’s 29th federal state.

What accounted for this split? Simply put, the two major ethnic groups that shared pre-partition Andhra Pradesh, the Andhrs and the Telanganas (see later entry), did not get along, despite sharing several traits.

They include, among others, membership in the larger Telugu nation and use of the Telugu language, a Dravidian language spoken by 74 million people and the most widely spoken language in India next to Hindi.

These similarities, however, did not stop the two groups from developing distinct identities rooted in geography and history rather than ethnicity, language, religion or caste, according to Minahan. (Linguists note the Telanganas speak a dialect of Telugu that includes many Urdu words and they absorbed many Muslim influences and traditions).

While the Andhrs welcomed the formation of a federal state that encompassed all Telugu speakers in India in 1956, tensions between the two ethnic groups frequently erupted into violence.

As Minahan says, even the smallest cultural differences (Andhrs prefer coffee, Telanganas prefer tea) “could spark bloody riots” between the two groups, which eyed each other with considerable suspicion throughout the decades, both groups clinging to various stereotypes of each other.

Andhrs considered the interior Telanganas backwards, while the Telanganas considered the coastal Andhrs, located along the Bay of Bengal, oppressive.

Not surprisingly, both groups have harboured radical voices, calling for separate, autonomous states. The creation of Telangana through the Andhra Pradesh Reorganisation Act appears to have satisfied that agenda, as far as the Telanganas are concerned.

As for the Andhrs, the partition of Andhra Pradesh marks yet another turn in their long history, which reaches back to at least to 1000 BC when the first written references to them as a distinct nation appeared. And in a way, it confirms the Sanskrit name of Andhra Pradesh — Land of the Andhrs.

4. Malayalis (34.6 million)

As already mentioned, the current contours of post-partition India reflect a series of choices, some forced, some voluntary, made by the various people set to reside in the new state.

This was certainly the case for the Malayalis, whose homeland occupies a tropical coastal plain on the Arabian Sea, rising to the rocky highlands of the Cardamom Hills and the Western Ghats in the interior.

The Malayalis are Dravidian, the descendents of people whom the ancient Aryans had driven into southern India, and speak Malayalam, a language based on Old Tamil that emerged between the ninth and 12th Centuries.

Records speak of the Malayali homeland as far back as antiquity, during which it attracted Jews fleeing the first Roman-Jewish war in the late first Century AD and Syrian Orthodox Christians in the early fourth Century AD.

These influences — joined later by Arabic-Muslim traditions — intermingled with the dominant local Hindu culture in creating a diverse religious and social spectrum that continues to distinguish the region from the rest of India.

And, as India prepared for independence, Malayali leaders “expressed a preference for association with, but not incorporation into, the Indian state.”

This preference, according to Minahan, is premised on the belief that the Malayali homeland would be better suited for independence than any other state in British India, thanks to its considerable coastline and near-monopoly on several important commodities.

Support for Indian nationalism was also low. In fact, one of the two states that London had established for the Malayalis as a reward for their loyal service to the Empire during the British Raj, proclaimed its own sovereignty on the very day of partition, with the second prepared to follow suit.

The threat of Indian reprisals led to protracted talks that eventually granted both states autonomy under their traditional maharajas, with the Indian government responsible only for defence and foreign relations. The Indian government, however, ended the states’ autonomy in 1948 and combined the two states into a new one. One year later, India pressured the two Malayali maharajas into renouncing their political rights in exchange for retaining their personal privileges and properties. In 1956, India’s central government combined most of the Malayalam-speaking regions into the state of Kerala.

Notably, this move actually strengthened Malayali defiance, which centred on the Kerala Socialist Party, a communist party that openly advocated secession from India.

Despite various efforts to stamp out secessionism, tensions between communist separatists and parties loyal to India’s Congress Party remained high through the 1980s. While the collapse of the Soviet Union changed political dynamics in
Kerala as economic grievances replaced ideological ones, Malayali nationalism “remains a strong force” in drawing strength from anti-Aryan and anti-Tamil traditions, as evidenced during the early 21st Century, when a dispute over water with the neighbouring state of Tamil Nadu turned into anti-Tamil marches.

5. Telanganas (31.4 million)
The political and administrative task that confronted the political leadership of modern-day India leading up to partition was nothing less than daunting. It had to unite 562 principalities and 12 provinces that the British had created and it was not inevitable that all of these polities wanted to be part of a secular, Hindu India.

One such reluctant joiner was the principality of Hyderabad, which was dominated by the Urdu-speaking Muslim population centred on the eponymously named city. The state descended into violence in 1947, when its Muslim leadership declared it would not join India and would instead explore some alternate arrangements, be it some form of affiliation with Pakistan or outright independence.

This announcement angered the Telugu-speaking Telanganas living in rural Hyderabad, who launched an insurgency, a move exploited by the Indian army to bring Hyderabad to its heels.

By 1949, it had overthrown Hyderabad’s Nizam and forced it into India. Persistent demands for a Telugu-speaking state eventually inspired India’s central government to merge the Telanganas with the Andhras into Andhra Pradesh with Hyderabad as its capital, on the premise that their shared Telugu language would provide a sufficiently common bond. But as we already heard, the Indian government recently reversed this merger by creating a separate state of Telangana.

Not everybody was happy with the partition of Andhra Pradesh into a residual state and the new federal state of Telangana. Speaking to the BBC, one local described the occasion as a “sad day, because we speak the same language and have no distinct identity. Politicians played a dirty [trick] in dividing the state into two.”

This critique was likely aimed at K. Chandrashekar Rao, who pushed for the creation of the new federal state and currently serves as its minister.

According to The Economist, Telangana covers an area of 115,000 square kilometres and its population of 35 million places it ahead of several countries that border India, including Afghanistan (30 million) and Nepal (28 million).

Proponents of partition note its economic benefits. Whereas the state generated 43 per cent of revenues of pre-partition Andhra Pradesh, it received only 30 per cent of all expenditures. Being part of Andhra Pradesh was therefore a losing proposition, at least on paper.

Perhaps the most controversial aspect of this partition was the designation of Hyderabad as Telangana’s capital. While it accounts for only eight per cent of the state’s population, its dynamic high-tech economy will give Telangana a leg up on Andhra Pradesh in marking a reversal of economic fortunes.

The Andhras were well aware of this and managed to negotiate a 10-year transition during which Hyderabad will serve as the capital for both states, before Andhra Pradesh will have to find its own as both sides finalize their separation.

Whether this mini-partition will quell the ethnic and sectarian tensions that have defined this part of India remains unclear.

6. Kurds (30 million)
Predictions about the future of the Middle East are likely to produce embarrassment. Foreign Affairs editor Gideon Rose recently wrote that the region “limps on without confidence or permanence” as “a work in progress; from Iraq and Syria to Libya and Yemen, nobody knows how things will look when the dust settles.” When it does, more than 30 million Kurds will hope that they — or at least some of them — will live in their own state, a possibility that haunts regional actors.

Spread mainly across four countries (Turkey, Syria, Iraq and Iran), the Kurds make up the fourth-largest ethnic group in the Middle East and many dream of reviving Kurdistan, a polity that has not existed for centuries. Kurds trace their ancestry to the Assyrians and their identity to the mountainous region that straddles southeastern Turkey, northern Iraq, northwestern Iran and northeastern Syria.

Geography has also created distinct, sometimes mutually unintelligible dialects of the Kurdish language, a fact that has divided Kurds. As Minahan writes, the Kurds “are more an assemblage of clans than a united people, with greater differences in religion, class and regional culture.”

This disunity has made it easy for invaders and outsiders to dominate them. But they are also proud, ferocious fighters, perhaps the best in the region, as their leading role in the fight against the Islamic State (IS) on behalf of the West demonstrates. (Notably, western powers are dropping their resistance to arming the Kurds with heavier weapons over fears that they might use these during a later insurgency).
Kurdish leaders in turn hope that these efforts will earn them their own state. So what are the prospects of a Kurdish state? The six million Kurds of northern Iraq possess what Oxford’s Eugene Rogan referred to in The Economist as “critical mass.” While they constitute a minority in a larger state (Iraq), they form a majority in a particular part of it that could easily be detached from the rest along plausible borders that capture legitimate geographic claims. Notably, they have enjoyed political autonomy since 1991 and scholars say the region is independent already in all but name.

The Kurds across the Middle East can also count on support — financial and otherwise — from the Kurdish diaspora in Europe (especially Germany) and elsewhere in the developed world.

Finally, their plight has generated international sympathy, a sentiment born out of a long, traumatic history of victimization. As Foreign Affairs Review notes, “the Kurds have been longing for independence since time immemorial,” only to suffer frequent betrayal over the birth of a nation at the hands of local imperial mistresses when the possibility of statehood seemed near.

Two such occasions occurred in the first half of the 20th Century alone.

In the Treaty of Sèvres, signed in 1920, Britain and France promised Kurds a homeland carved out of the cadaver of the Ottoman Empire. Three years later, Britain and France reneged on their promise during renegotiations of the treaty and Turkey, eager to preserve its territorial integrity, has repeatedly crushed Kurdish uprisings. Shortly after the Second World War, Kurds living in Iran declared the Republic of Mahabad. However, the United Kingdom and Soviet Union eventually withdrew their support by allowing the Iranian army to regain control of the region after less than a year in late 1946.

These brief Kurdish sojourns into statehood exploited periods of political instability and the current chaos in the Middle East has yet again revived hopes.

“We have waited long enough,” Sirwan Barzani, a grandson of legendary Kurd leader Mustafa Barzani, told The Economist in 2015. “It has been a hundred years since we were divided between the four devils (as per the Sykes-Picot Agreement). We will be independent within two years.”

While this prediction has not yet come true, it speaks to the confidence — some might say hubris — that currently reigns among Kurdish leaders. Their fight against ISIS is far from over and regional politics might be tricky. While a post-war Syria might accept some level of autonomy for its Kurdish population, Turkey, home to about 14 million Kurds, currently wages an anti-insurgency campaign in its Kurdish region and may yet extinguish, using force, any independent Kurdish centred in Iraq. In other words, developments outside their control may puncture Kurdish plans yet again. While Turkey and Russia imagine different fates for Syria’s dictator, Bashar al-Assad, they might find common cause against the Kurds, as recently reported. Syrian forces have opened up a front against Kurdish forces in Syria, further complicating a multi-sided war.

Kurds have frequently found themselves pawns in the games of larger players and this time might not be very different.

7. Pashtuns (28.85 million)

The Pashtun homeland occupies a mountainous region in South Asia that lies partly in the Himalayas and the Hindu Kush, west of the Indus River, stretching as far as the Seistan Plateau. Chains of bare, rugged mountains that include the Khyber Pass are interspersed in the fertile plains and valleys of this region. In short, it runs across the northwestern part of Pakistan and southern Afghanistan — or to be more prosaic, the graveyard of empires. As Minahan writes, centuries of invasions by Afghans, Persians, Indians and Mongols have “converted the Pashtun tribes into a warrior people, possibly the best guerrilla fighters in Asia. The tribes united only when threatened, more often warring among themselves.”

This tendency first revealed itself in the late 19th Century when Pashtun tribes rejected the arbitrary division of their homeland by the British. Pashtun resistance to foreign rule continued during the final decades of the British Raj and eventually turned against the ethnic Punjabis and Mohajirs who sought to dominate the newly created Pakistan following the partition of the Indian subcontinent in 1947 into Hindu-dominated India and Muslim-dominated Pakistan.

Despite being co-religionists, the various ethnic groups of Pakistan struggled to reconcile their grievances and most of the country’s Pashtun region remained outside Islamabad’s control in the 1950s and 1960s. Pashtun nationalism received another boost in 1971 when nationalists pressed for their homeland to follow the Bengals of East Pakistan — modern-day Bangladesh — into independence. The region also remained a source of tension with Afghanistan, whose Pashtun populace simply ignored the artificial border drawn decades earlier.

The 1979 Soviet invasion of Afghanistan, ostensibly designed to prop up Moscow’s failing client government, further complicated relations between Afghanistan and Pakistan. Playing on fears of a Soviet push into Pakistan, its military
government became a favourite recipient of American and Saudi assistance — assistance funnelled into the hands of various local Islamist warlords, namely the mujahideen. Most of these groups were rival Pashtun tribes, whose only source of agreement was their fervent hatred of the godless Soviets and their Kabul clients, a powerful force when combined with shoulder-launched stinger rockets.

The war also sent six million refugees — 85 per cent of them ethnic Pashtuns — into the Pashtun tribal areas of northwestern Pakistan. This influx in turn sowed the seeds for the rise of the Taliban, a militant Islamic organization recruited out of Afghan Pashtun religious students and supported by Pakistani intelligence.

Following the inglorious withdrawal of the Soviet Union in 1989, Afghanistan descended into a civil war between Pashtun and non-Pashtun that eventually ended in favour of Pakistan’s client, the Taliban. They in turn offered sanctuary to Al-Qaeda under the leadership of Osama bin Laden, a Saudi who joined the mujahideen in their struggles against the Soviets, then used Afghanistan as a staging ground for the attacks of 9/11.

Western troops led by the United States have since chased the Taliban out of power, but Pashtun grievances continue to threaten Afghanistan’s stability. The same can be said about Pakistan, where radical Pashtuns continue to agitate against the central government, whose policies smack of incoherence.

On the one hand, it has encouraged Pashtun nationalism in rebuffing Soviet advances in the region during the 1980s and then turning Afghanistan into a client state during the 1990s.

On the other hand, Islamabad has failed to clarify the status of Pakistan’s Pashtun area. Despite American aid, it has failed to pacify the area by force, thereby giving indirect aid to Pashtun and foreign fighters training their guns against western forces and allies in Afghanistan. It is also worth remembering that American Navy Seals killed bin Laden in a mainly Pashtun region of Pakistan. Yet Pakistan has also resisted peaceful alternatives for the region, including federalism, for fears that it might encourage a separate Pashtun state, already a de-facto reality.

**8. Yorugas (26.5 million)**

Scholars have historically spoken of the Yorugas as a linguistic rather than ethnic community centred around Yorubaland, which spans Nigeria, Togo and Benin. Sizeable communities of speakers also exist in other West African countries, Europe, the United States, Brazil and the Caribbean. In fact, Minahan notes that Yoruba culture and religion have “profoundly influenced the African diaspora in Brazil and the Caribbean, even among the communities where the language has been lost.” Recent research, however, has identified a growing ethnic consciousness among the Yoruba, a development linked to the post-colonial politics of Nigeria.

As the second largest group in Nigeria, the Yorugas, most of whom are Christians, faced a complicated choice in the late 1960s as the country confronted a secessionist movement by the Igbo against the country’s central government, which was dominated by the largest ethnic group, the Muslim Hausas. Should they side with their Christian co-religionists — the Igbo — or with the Hausas, who sought to protect the integrity of the country and, with it, access to the oil wells of southeastern Nigeria? While some Yorugas supported and fought for the breakaway Republic of Biafra during a civil war (1967-1970) that killed millions (see later entry), their political leaders and generals ultimately sided with the Muslim-dominated federal government to preserve and protect the southeastern oil fields.

This calculated, some might say cynical bargain did not ease tensions among the various ethnic groups in the decades that followed. As Minahan says, “continued domination” of the Nigerian government by the Muslim-controlled military fuelled Yoruba nationalism in the 1980s, a phenomenon perpetuated by economic problems and the pro-Islamic policies of government.

Tensions exploded in 1993, when the Muslim military government annulled the results of free presidential elections brokered by the international community after said elections produced a result in favour of the Yoruba. Feeling denied and destined to be dominated by the Hausas, Yoruba nationalism witnessed what Minahan calls a “dramatic increase” not seen since the 1960s. Its contemporary vehicle is the Oodua Peoples Congress, a militant group formed in 1997. The group remains a voice for Yoruba concerns, but has taken measures to appear more moderate, most recently by expelling corrupt members whom it deems have hurt its image.

**9. Northern Tai (24 million)**

Three groups dominate headlines about ethnic unrest in China: the Mongols, the Uygurs and the Tibetans. However, this trio merely hints at the ethnic diversity and potential divisiveness characterizing China. The emerging global power currently recognizes 56 distinct ethnic groups within its far-flung borders — the majority Han Chinese (which account for about 92 per cent of China’s 1.36 billion people) and 55 other groups. And, there are the Northern Tai people. Related to the Thai of Thailand, they include the Chuang (Zhuang) with an estimated 17 million, the Puyi (Buyi/Bouyei) with an estimated 3.1 million and the Tung (Dong) with an estimated three million. Described as the “water dwellers” for building settlements on piles or stilts near the water, the Chuang constitute the largest sub-group of the Northern Tai, whose territory lies in southern China south of the Nan Mountains.

The region borders modern-day Vietnam and its relatively nature al-
Northern Tai and other non-Han people in the region retain a strong urge to unite into an independent state.

10. Igbos (23.2 million)

Almost half a century ago, horrific reports of mass death and destruction from western Africa shocked audiences around the world. These haunting accounts included heartbreaking images of lethargic Igbo children, their black bellies bloated by hunger, as the Nigerian government sought to starve them, their parents and their leaders into submission for their attempted secession.

As The Economist notes, Nigeria did not exist until British colonialists drew a line around hundreds of “fractional ethnic groups.” Among these, three major groups dominate: the Muslim Hausas in the north; the Christian Yorubas in the west; and the Christian Igbo in the south.

Relations between these regions and their people have been one of strife ever since and reached a new deadly dimension in January 1966 when disputes over the use of oil revenues inspired Igbo military officers to stage a successful coup against the Muslim-dominated central government of Nigeria.

A counter-coup restored Muslim dominance mere months later and triggered an orgy of violence against the Igbo that killed tens of thousands and displaced more than a million of them.

These events eventually inspired Igbo leaders to declare the independence of southeastern Nigeria after Lagos had refused demands for greater autonomy. The new state that emerged on May 30, 1967, named itself the Republic of Biafra after the part of the Atlantic Ocean that bordered the new state and soon found itself under attack by federal Nigerian forces under the leadership of Gen. Yakubu Gowon, whose government could count on continuing support from an odd coalition of international powers that included Cold War adversaries Britain and the former Soviet Union, which supplied the government with arms.

As for the Republic of Biafra, four African states (Ivory Coast, Tanzania, Zambia and Gabon) recognized it. It also received material support from several western governments and non-governmental organizations. France, for example, became the principal supplier of arms to the breakaway state. Its fight for survival also attracted several somewhat shadowy figures, including Rolf Steiner, a German-born soldier of fortune.

Despite his efforts and those of others, the Biafran cause faced considerable odds against the numerically superior forces of the central government, which also used hunger as a weapon against the ill-equipped and ill-prepared secessionists. Notwithstanding high-profile food deliveries from western countries, the Nigerian blockade of Biafra proved highly effective. While the actual fighting killed an estimated 100,000 people over three years, anywhere between 500,000 and two million civilians died from the effects of the war, with hunger claiming most of them. The Igbo’s unsuccessful claim for independence ended in January 1970 and marked a watershed in international affairs. This photo shows Igbo women in the early 1900s.

The Igbo’s unsuccessful claim for independence ended in January 1970 and marked a watershed in the history of international affairs.

What Minahan calls the “most savage war” on the African continent was also the first globally televised war and led to the formation of the non-governmental organization Doctors without Borders.

The war also remains a source of historical grievance for the Igbo, who continue to find themselves marginalized in Nigeria. Most of them — like most Nigerians — were born after the war, yet it remains a part of their identity and the recent rise of secessionist sentiments in the region has referenced it.

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In 1929, Winston Churchill, who was then the chancellor of the exchequer in Stanley Baldwin’s government, was making a tour of Canada and the U.S. In a speech in Vancouver on Sept. 23, he said, “We see Canada growing in every way — education, civilization, numbers and wealth.” That was the day prices on U.S. and Canadian stock markets reached their absolute pinnacle. Barely a month later, on Black Thursday, Oct. 24, the New York Stock Exchange collapsed like a cheap card table, sending concussions around the world.

As luck would have it, Churchill was on Wall Street that day, watching from the visitors’ gallery high above the trading floor, and was quickly hustled out of the building. When, a short time later, he was struck by a New York taxi while crossing the street, he cabled a newspaper editor in London offering to “produce [a] literary gem about 2,400 words” describing the accident in exchange for some quick cash. Churchill, the minister responsible for Britain’s financial affairs, the man who, by returning Britain to the gold standard, probably helped to create the atmosphere in which the great crash inevitably came about, needed money — quickly. He almost always did, throughout most of his long life.

The at times almost unbelievable story of Churchill’s stunning financial incompetence is the subject of No More Champagne: Churchill and His Money (Picador, US$32). David Lough, a London private banker with a historian’s skills, is able to tell it now because although Churchill was almost psychologically incapable of saving money, he did save everything else, including bills, receipts, bank statements, tax records, cancelled cheques and all other financial papers, which his descendants have now agreed to open up to researchers. What the documents reveal is routinely astounding. For example, Lough writes that a few days after the Nazis invaded the Netherlands, Belgium and Luxembourg and were poised to take France as well, Churchill, the brand-new prime minister, “had to confront another unpleasant truth closer to home: he was running out of money to pay his household bills and his tax or the interest on his large overdraft, which was due at the end of the month.”

So he did what he had done two years earlier. He asked his parliamentary private secretary, Brendan Bracken, to clean up the mess — discreetly, of course. Bracken called once again on Sir Henry Strakosch, a mining magnate, banker and co-owner of The Economist who, apparently asking nothing in return, wrote a cheque for what today would be £250,000, payable to Bracken, who then endorsed it over to Churchill. That makes the question of a $90,000 cheque in our recent Mike Duffy scandal seem like a trifling affair. But this sort of thing was a thread throughout Churchill’s career. He had expensive tastes in everything from real estate to wine to silk underwear and was an inveterate gambler at race tracks, casinos — and brokerage houses. In 1922, he frittered away the equivalent of £90,000 at the gambling tables in Monte Carlo and Biarritz. His losses in the great stock crash that he saw taking place in 1929 “would have exceeded £8.9 million in today’s money.” He said, “It excited me so much to play — [I was like a] foolish moth.”

The insolvency gene
Maybe Churchill’s money problems began
at his birth. As ill luck would have it, his father, Lord Randolph Churchill, was the second son and so didn’t inherit Blenheim, the palace and grounds that Queen Anne had bestowed on the Churchills’ ancestor, John Churchill, the first Duke of Marlborough, in 1704. By late Victorian times, the estate had been whittled down consider- ably, helped by the fact that Winston’s father was himself a spendthrift. So too, in a lesser way, was his mother, who said that, at 13, her son was spending enough for a normal family of six or seven. “You do go through it in the most rapid manner [...] and the more you have the more you want to spend” — as he later did on polo ponies and race horses, for example. So he joined the army.

In that period, it was not unheard of for young officers to moonlight as foreign correspondents. Churchill found he could write easily, and voluminously, and so began to sell — first to Fleet Street editors and later to book publishers — the stories of his military adventures in Cuba, the India-Afghanistan border, the Sudan and South Africa. A book about the last-named place, From London to Ladysmith via Pretoria, brought him the modern equivalent of £400,000 and enough fame to let him enter politics. That was another field of endeavour in which he enjoyed taking chances — as when, during the Great War, he orchestrated the disastrous Gallipoli campaign against the Turks, which resulted in a slaughter for which Australians have never forgiven his ghost.

By the time that war began, he was already an oenophile who spent what would now be £100,000 a year on wine and spirits (plus a great deal on cigars, a habit he had picked up in Cuba). In 1930, for example, he had to write three books and more than 40 articles just to keep up.

Lough shows us the actual ledger pages. Churchill was aware of his excesses and scrawls the warning “No more champagne” on one sheet. On another, he scribbles “Cigars must be reduced to four a day” (not for health reasons, but for budgetary ones). Yet he couldn’t stop himself — nor, one supposes, did he really wish to. As he climbed the political ladder step by step, he was descending into ever greater debt, and would routinely delay payments to tradesmen — shirtmakers and watchmakers, to take two examples — for years, even decades. He “avoided tax with great success,” Lough writes, and to keep from drowning, borrowed more and more and wrote more and more. Eventually, his numerous books, and sometimes the sale of film rights to them for movies that never got made, eventually left him rich indeed, as in the case of his wartime memoirs, which he produced using enormous piles of secretly borrowed government documents and the help of ghostwriters when necessary.

But the process of enrichment took many years, during which he was forced to turn his hand to whatever he could — the freelancer’s dilemma — such as doing a bit of lobbying on behalf of the petroleum interests and, at one point, agreeing to write a booklet to accompany a jigsaw puzzle about great battles of the world. Financially, his darkest days were his years in the political wilderness leading up to the Second World War and then the war itself and its immediate aftermath. The irony here is that the saviour of his nation couldn’t seem to save himself. In 1938, 1940 and 1946, he again had to seek wealthy admirers to keep from actually going bankrupt.

No More Champagne is a cautionary tale certainly. But it’s also an absolutely riveting book about economics. And how often do you find one of those?

**Spending more time with the family**

Political memoirs concerning the nine years of the Harper government haven’t begun to surface yet, but if one listens closely one can hear pens (and heads) scratching. Instead, for the time being, we have one from the other camp and an earlier time: The Call of the World (UBC Press, $39.95) by former Liberal cabinet minister Bill Graham, who rode high in the Jean Chrétien and Paul Martin governments, particularly as foreign affairs minister from 2002 to 2004 and then, until 2006, as defence minister. The American journal
Publishers Weekly, which is always the first to review new books (anonymously), tore into this one as bland, cautious, long-winded and pompous: a work that “never lives up to its lofty title.” That hasn’t been my impression of it.

Graham seems to me quite straightforward, mostly sincere and sometimes even candid. As even Publishers Weekly had to admit, he isn’t above admitting to a big mistake: “I regret that I — and the Chrétien, Martin, and Harper governments — were not more aggressive in pushing to get Omar Khadr,” a Canadian citizen, freed from the prison at Guantanamo Bay.

True, Graham doesn’t come off as a room-filling personality. Rather, he paints himself as a successful lawyer who entered politics relatively early and worked hard at it, winning all but one of his five contests in the riding of Toronto Centre (formerly called Toronto-Rosedale). His primary focus became “diplomacy, always trying to reduce the heat and increase the light,” and it can’t be denied that he held the foreign affairs portfolio at a dangerously interesting time.

**Living with the elephant**

Considered as a narrative — a story full of turns and twists — the most intriguing part concerns Chrétien’s refusal to join in the American invasion of Iraq, which is, of course, widely acknowledged as the source of much of the world’s strife and terror today. Graham had a solid working relationship with Colin Powell, his U.S. opposite number, who was duped by the George W. Bush administration into telling the United Nations that Saddam Hussein possessed weapons of mass destruction. He quotes Powell as saying later: “Bill, you have no idea. I threw out boxes and boxes of stuff they tried to get me to say. I was briefed by our intelligence people with mountains of crap.”

The U.S. ambassador in Ottawa sent Graham an order, not a request, straight from the Oval Office, to be relayed to Chrétien personally: “The prime minister of Canada needs to say something nice about the president of the United States, in public, soon.” Chrétien replied that Canada would not join the war without a UN resolution. That was in March 2003. By the end of the year, Chrétien was out as PM, destroyed by the sponsorship scandal. Graham had somewhat less regard for the new leader, Paul Martin, but displays a great deal less than that, shall we say, for Jack Layton, the NDP leader who brought down Martin’s minority government in February 2006 (whereupon Graham did a turn as his party’s interim leader).

The Call of the World includes a good deal of interesting information about the nuts and bolts of electoral politics in this country and how they are changing. The author’s old riding includes Rosedale, yes, but also cheap and even slumy highrise housing whose residents are often difficult to reach, or don’t speak English, or are connected to their iPods and iPhones to the extent of being disconnected from, and uninterested in, the world and its news. Another interesting portion of the book describes an incident during the 1997 election in which an LGBTQ newspaper was considering outing candidate Graham as gay. “This had been a concern of mine since deciding to enter politics in 1984, but my family [including one son who covered the Iraq war as a correspondent] and I had always endorsed the idea that the state had no place in the bedrooms of the nation.” He says little else about the matter. Which, for a book published in this year of grace 2016, seems unnecessarily secretive and coy.

**Diplomatic manoeuvres**

Here’s something not often encountered any longer: an example of bipartisan cooperation in the United States. Robert D. Blackwill was an adviser to George W. Bush and Jennifer M. Harris was an adviser to Barack Obama. True, both are now members of the Council on Foreign Relations, yet even so it seems striking that they should have collaborated on War by Other Means: Geoeconomics and Statecraft.
of recruiting Eastern Bloc exiles to help weaken Soviet influence.

Of course to be fair, one must say that Moscow had its own countervailing goals and schemes. We don’t need to be reminded that such tactics were simply part of the tenor of the times. For example, both sides used musicians and composers as evangelists of their respective ideologies. At one point, even chess masters were put to work this way. An oblique reminder of the tone of those days is Garry Kasparov’s new book, Winter Is Coming: Why Vladimir Putin and the Enemies of the Free World Must Be Stopped (Publishers Group Canada, $33.99). Kasparov was the top-ranked chess player in the world when he retired in 2005 to play a rather more dangerous game as leader of an anti-Putin and pro-democracy movement. He is now an exile in New York. His book is, to say the least, a forceful statement, full of fury, sorrow and sound reporting.

Finally, a fine book not about diplomacy or even politics, but about racism of a kind. In 1871, Henry Morton Stanley, the journalist and explorer (more the former than the latter) was sent to Africa to find Dr. David Livingstone, who wasn’t actually lost. A few years later, near Lake Victoria, Stanley stumbled upon a group of Africans who seemed to him to have white skin and European features. He, and much of the world, took this as proof of the Hamitic Hypothesis, the crackpot idea that Ham, the son of Noah, in the Bible, settled in Africa and propagated. This hokum about “a white tribe” then spread to other continents, as in, for instance, Vilhjalmur Stefansson’s assertion that he had discovered “blond Eskimos” in the Arctic. Michael F. Robinson may have got the idea for his new book, The Lost White Tribe: Explorers, Scientists, and the Theory that Changed a Continent (Oxford University Press, US$29.95), while researching his previous one, The Coldest Crucible: Arctic Exploration and American Culture, a work with much to say to Canadian readers. In any event, The White Tribe is a strong rebuke (more are needed) to the foundations of some of the racist thinking in society today.

I’m sorry, but I can’t drop the subject without pointing out that Livingstone died in 1875 and that, when Stanley passed on in 1904, the headline in one of the U.S.’s leading newspapers read “Stanley finds Livingstone — again.”

George Fetherling is a novelist, cultural commentator and chair of the Writers Union of Canada.
Seeking solitude and seclusion, Irish monks in the seventh Century happened upon Iceland by chance, but fled two centuries later as Vikings from Sweden and Norway stumbled upon the island. After that, Norse settlers from Sweden and Norway soon began dotting the country with homesteads, having fled political strife on the Scandinavian mainland. From that time onward, Iceland’s decidedly Nordic culture has featured an economy based on subsistence farming for the most part, with a cuisine rooted in Scandinavian foods as well as a distinctly Icelandic cuisine.

Well into the 20th Century, Iceland remained a poor hinterland. Subsistence farming had to deal with sparse soil, harsh weather and a short, three-month summer growing season, permitting rather limited production of just a few crops, all of which would last well into the long, cold months ahead. Accordingly, traditional Icelandic dishes manifested a “waste-not” frugality, with every part of a creature eaten, even rams’ testicles, sheeps’ heads and innards and fish stomachs.

**Early food preservation**

Preservation techniques included drying, salting, smoking, pickling and fermentation. Originally, fish was stored in salt obtained by boiling sea water, but, as a shortage of firewood grew, salt-making gradually disappeared in the 14th Century. Consequently, the practice of preserving in “fermented” whey that significantly altered the taste of fish and meat, took hold. That did not prove conducive to the once-valuable export market of fish. On the other hand, the practice of curing herring, skate and shark by fermentation is still in use, and fermented eggs remain a rare regional delicacy.

Fermented shark (*hakarl*), a culinary tradition of early settlers in the ninth Century, ranks among Iceland’s top 10 foods today. While local shark meat eaten fresh is considered poisonous, Vikings found that burying it underground for at least three months induced their version of a fermentation — not a “rotting” — process that broke down the toxins and got rid of the acid. After allowing it to wind dry, the fermented shark flesh then became edible but chewy, acidic and tearfully pungent. The flavour of *hakarl* is an acquired taste, referred to as *umami*, which is much appreciated by connoisseurs of very strong cheese. As for the “aroma,” skeptical foreigners refer to it as a cross between ammonia and road kill.

To counterbalance the nasty aftertaste of *hakarl*, or *surir hrutspungar*, which are sour rams’ testicles, a shot of Brennivin, regarded as Iceland’s signature distilled beverage, does the trick. Brennivin is a type of unsweetened schnapps reminiscent of Sweden’s famous aquavit. It’s made from fermented grain or potato mash and flavoured with caraway. The custom of making schnapps with herbs steeped in alcohol dates back to old Scandinavian folk traditions. Icelandic Ambassador Sturla Sigurjónsson notes that although Brennivin and some wine were allowed, prohibition was practised for decades. “Alcoholic beer only legally reappeared in 1989.”

With widespread subsistence farming, goat, sheep and cow’s milk cheese had always been a part of Icelanders’ diet until the predominance of a soft yogurt-like cheese, *skyr*, another one of today’s top 10 favourite foods, resulted in the disappearance of artisanal cheese-making, except in mountain cabins, where lambs were taken away from their mothers while they were milked. Originally a culinary tradition from Norway, *skyr* has lived on in Iceland and has recently begun making appearances in European and North American supermarkets. Eventually, in the 20th Century, industrial cheese-making began.
The most common type of bread was (and remains) pot bread known as rugbrau, a dense, dark, sweet rye bread that Icelanders also baked by placing the dough in wooden casks and burying it in the ground adjacent to a hot spring. When retrieved the next day, the bread had acquired a slightly sulphuric taste. Cooking eggs and small game, as well as some baking in hot springs, continues to be a unique aspect of Icelandic cuisine.

The Napoleonic Wars (1803–1815) resulted in a shortfall of supplies when merchant ships ceased coming. This encouraged Icelanders to produce their own fresh foods rather than preserved foods. Cheese-making re-emerged and featured popular European varieties such as gouda, camembert and blue cheese, while product development of other dairy products such as whey-based beverages has also driven up the popularity of skyr. Danish pastry-making had an enormous influence, a culinary area in which Iceland had few traditions. These have even outlived those in Denmark.

Today’s cuisine

Not having deviated far from the age of the Vikings, mainstays of today’s diet include lamb, potatoes, fish, seafood and skyr. Icelandic lamb has a remarkably succulent flavour because the sheep roam freely in the countryside all summer, feeding on grass, moss, wild berries and herbs. Fresh lamb continues to be the favourite meat of Icelanders, with lamb dishes served with mustard. Ambassador Sigurjónsson recalls Sunday dinners that “featured roast lamb with a brown sauce, canned peas and sugared potatoes. But barbecued lamb with yogurt sauce has been gaining popularity.”

Smoked lamb, called hangikjot, remains a traditional Christmas delicacy, although Icelanders also enjoy it all year. The procedure involves smoking lamb or mutton with birch or dried sheep dung, then boiling it and serving it hot or cold with potatoes cooked in a white cream sauce, green peas and red cabbage. In recent years, twice-smoked lamb, which is eaten raw in the same way as prosciutto in Italy, has become a culinary favourite, particularly as a topping on laufabraud, a thin, circular, deep-fried cracker-type bread.

Although sausages, in general, have lost much of their appeal, an iconic Icelandic food, pylsur or hot dog, made with lamb as well as beef and pork bits, offers a wonderful depth of flavour boosted by the lamb, even when smothered by a profusion of highly recommended condiments. Rams’ testicles are not a common item today, unlike sheep’s head, which is available in some grocery stores pre-cooked or frozen. Diners eat the entire head, which has been singed to remove any remaining wool, and debrained, before cooking. Nothing is left untouched, including the tongue, eyeballs and ears. The tongue and cheek are reportedly the best parts. A regular accompaniment to sheep’s head is blood pudding, known as slitur, which literally means slaughter. Made from sheep’s innards, blood and fat, there are two sorts — bloomer (blood pudding similar to English black pudding) and lifrarpylsa.
Iceland, often served at Christmas.

Icelanders also eat beef that is well marbled due to the cold climate; horse, which is usually salted and served boiled, or as a smoked sausage known as biung; and free-range reindeer, which were introduced in the late 18th Century. Usually reserved for Christmas, reindeer has a unique taste and is considered a very expensive delicacy.

Small game primarily includes seabirds such as puffins, corromants and great black-backed gulls as well as waterfowl, including mallard ducks and geese. The high content of fish oil in the flesh of these birds requires the meat to be soaked in milk overnight to extract the oil prior to cooking. Puffins boiled in milk sauce or smoked are another Icelandic delicacy. Örsmigan, a plump, partridge-like bird served as a main course with a creamy sauce and jam, represents another Christmas tradition.

Icelanders also enjoy wild salmon, generally smoked or marinated with herbs, and sweet langoustine lobsters, a favourite of the ambassador. Abundant quantities of fish are consumed cooked fresh and in soups or as the age-old hardafiskur, which is hard, chewy, fiercely fishy-smelling, wind-dried haddock or cod. Often referred to as fish jerky, Icelanders and foreigners devour tons of it each year, frequently in the traditional manner — spread with butter or as thin chips, crunchy brittle chunks or soft, feathery ribbons. Saltfiskur, gellur (the fleshy triangular muscle under cod tongues) and minke whale have always been part of Icelandic culinary traditions, whereas seal meat has lost its appeal.

Fresh fruits and vegetables only made a serious appearance in Icelandic cuisine during the last few decades, replacing canned varieties. Greenhouses, powered by geothermal energy, provide fresh vegetables and fruits, but almost any type of sweet fruit except berries must be imported.

As for desserts, Icelanders enjoy several traditional types: twisted donuts known as kleinur; piparkokur, a type of ginger Christmas cookie frequently adorned with a coloured glaze; snudur, a cinnamon roll with a glaze or melted chocolate topping; skuffukaka, a one-layer cake baked in a roasting pan, enveloped in a chocolate glaze with a sprinkling of shredded coconut; a variety of multi-layered cakes; rice pudding with raisins; skyr topped with honey; pancakes; kransakaya, an almond-flavoured cone-shaped wedding cake filled with chocolates and candy; plus a variety of delicious licorice, including many types coated with chocolate.

Over the years, modern chefs have become increasingly more creative, placing greater emphasis on the availability of quality local ingredients while designing innovative world-class dishes as well as giving a gourmet twist to traditional dishes. But for a truly original Icelandic cuisine experience, there’s the Viking mid-winter festival, known as Borrablot.

I welcome you to try my appetizer version of Barbecued Baby Lamb Tenderloins with Skyr Sauce. Bon Appetit! Verdi ykkur ad godu!

### Barbecued Baby Lamb Tenderloins with Skyr Sauce

**Makes 4 servings**

- 6 oz (175 g) baby lamb tenderloins*
- 2 tsp (10 mL) Dijon mustard
- 1 tsp (5 mL) olive oil (preferably garlic-infused)
- Salt and crushed black peppercorns to taste
- Sprigs of fresh herbs or watercress leaves

**Skyr Sauce**
- 1/3 cup (80 mL) plain Icelandic style skyr**
- 1/4 cup (60 mL) sour cream
- 2 tsp (10 mL) liquid honey
- 2/3 tsp (3.5 mL) cider vinegar
- 1/4 tsp (1 mL) ground nutmeg
- Salt to taste

1. To make the sauce, whisk together skyr, sour cream, honey, vinegar, nutmeg and salt. (Makes about 3/4 cup or 180 mL) Place in an airtight plastic container and refrigerate for up to 3 days.
2. Remove the silver skin from the lamb tenderloins. Whisk together mustard and olive oil before smearing it evenly and completely over the tenderloins. Just before grilling, sprinkle tenderloins with salt and crushed black peppercorns.
3. Grill lamb tenderloins on a lightly oiled pre-heated barbecue grill or grill pan on medium heat. Grill all surfaces; turn tenderloins as grill marks appear. (This will take only 2 to 3 minutes.) Transfer tenderloins to a plate; cut off the thin ends to avoid overcooking and return the thicker part of the tenderloins to the grill. Turn for another minute or 2 until the degree of doneness is reached. (Note: Ideally, serve the lamb rare or medium-rare.)
4. Transfer grilled tenderloins to the plate, cover with aluminum foil for a few minutes, allowing juices to settle. Cut into 2/3- or 1.5-cm-wide pieces.
5. For 4 individual servings, arrange 1/4 of the lamb pieces on 4 individual plates along with 1/4 of the Skyr Sauce and, if desired, butter-glazed, cooked mini potatoes. Garnish with fresh herbs or watercress.

* Option: Regular lamb tenderloins cut lengthwise in thirds.
** Option: Skyr is widely available in Canadian supermarkets, but if you can’t find it, use Greek yogurt.

Margaret Dickenson is a cookbook author, TV host, menu/recipe developer, protocol, business and etiquette instructor. (www.margaretstable.ca)
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Photo by: Melanie Shields Photography
The irresistibly intense wines of Prince Edward County

Over the past two decades, something very special has been happening at the eastern end of Lake Ontario. Intrepid and determined grape growers and winemakers have carved out a most unexpected wine region that borders the impossible while striving for the fantastic. The quality of Pinot Noir, Chardonnay, Pinot Gris, Cabernet Franc and sparkling wines being produced is most impressive.

The wines share a sense of balance and poise that allows the influences of soil and climate to shine forth. This is Prince Edward County.

Norman Hardie arrived in the county after a long journey. He spent six years learning with the best producers of cool-climate varieties in Burgundy, South Africa, California, Oregon and New Zealand.

“I travelled the world looking for great soils, but it was in the county in 2003 that I first planted Pinot Noir and then Chardonnay and Pinot Gris,” said Hardie. “The goal was to make great wine, but we really didn’t know; we weren’t certain we could do it. We didn’t know the microclimate.

“Without collaboration in the early days, things could have failed. There were about six of us who were the pioneers and we built the industry.”

The appellation now boasts 31 wineries and produces more than 26,000 cases a year.

Prince Edward County’s stony soils and broken limestone bedrock promote the low yields and concentrated flavours necessary for premium wine production. Also, the lake effect from neighbouring Lake Ontario moderates temperatures and helps protect ripening fruit from fall frosts. However, every year, winter is a serious and costly danger as temperatures can fall below -24C and kill grapevines. Although county growers protect their vines by burying them under soil (and painstakingly uncovering them the following spring), the growing season remains a truncated one thanks to the region’s northerner position. On average, the growing season is 14 per cent shorter than that of the Niagara Peninsula.

Hardie and his peers embrace these challenges. They, like other wine producers, are willing to risk everything for the greatest reward: profound wines that speak of the time and place from which they’re produced. Hardie’s 2014 County Pinot Noir is a perfect expression of this.

The wine is bright, elegant and shows generous ripe red fruit and an underlying minerality. This graceful and contemplative Pinot Noir is available from Vintages or directly from the winery for $45.

The Stanners family followed a different path, as Cliff Stanners recalls.

“I was making wine as an amateur in Montreal and was frustrated with what I could manage to get there as grapes,” Stanners said. “My son, Colin, and I were always talking about starting a vineyard and winery, but thought of it as a fantasy given the anticipated expense.”

They were excited after seeing a documentary about the county, but Stanners and his wife, Dorothy, were skeptical that this location could produce quality wines.

“We were surprised to find a terroir so similar to that of Burgundy, with its soil riddled with calcareous limestone,” he said. “Our fantasy didn’t seem so far-fetched and the land was affordable!”

In 2003, Stanners Vineyard was born in the village of Hillier. They built the winery itself in the summer of 2009. Their 7.5 acres of estate vines boast Pinot Noir, Pinot Gris and Chardonnay. Among their acclaimed wines, the 2014 Cuivré is a fascinating expression of Pinot Gris. The juice is allowed to soak with its skins for 24 hours before pressing and fermentation. The resulting wine has a striking copper colour. While slightly tannic from the skin contact, the wine is fresh and vibrant in character. Citrus fruit, spice and floral notes develop as it breathes and warms.

This unusual but delicious wine is only available directly from the winery for $25.

Pieter Van den Weghe is general manager and sommelier at Beckta.
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Portugal's diplomatic residence off the beaten path

Photos by Ashley Fraser

The Portuguese government bought this home on Island Park Drive in the 1960s to use as the ambassador’s residence.

Portuguese Ambassador Jose Moreira da Cunha and his wife, Lurdes, live in what they describe as a modest embassy residence on Island Park Drive, far from some of the baronial manor houses of Rockcliffe where many of their diplomatic friends live.

But they say they couldn’t be happier. Not only do they love the location, close to Carling Avenue and the Experimental Farm, where the ambassador can take a run whenever he wishes, but he also has the advantage of being able to walk a mere 200 metres down the road to his office. The Portuguese embassy has 20 parking spaces, which is much appreciated by everyone who does business there, he says, as compared to going downtown.

The couple doesn’t lack for diplomatic action in the neighbourhood as Mexico and Peru, to name just a couple, have imposing residences on the street. As well, after three years, they feel very much a part of their Ottawa neighbourhood.

The government of Portugal bought the house in the 1960s and the ambassador at the time purposely chose a place in this neighbourhood, says da Cunha. “He didn’t want to live in Rockcliffe.” Here they say they are close to their neighbours, far from traffic and they love the life they lead.
Portuguese Ambassador Jose Moreira da Cunha and his wife, Lurdes, plan to retire to Portugal after they complete their posting in Canada.

A guest book in the front foyer helps the diplomatic couple keep track of their many visitors.
The residence’s reception rooms offer plenty of seating.

The dining room can seat up to 32 people for a formal meal that might, if the guests are lucky, feature traditional Portuguese dishes.
But after 40 years in the diplomatic service, they say they are happy wherever they go, and that includes their most recent posting in Algeria and Iran before that. Their first posting was Argentina and they’ve also lived in Kinshasa, Congo.

“We are very happy here,” they say. “Ottawa has many advantages.”

The two-storey stone house is distinguished by the rounded exterior glass entranceway leading to the front door, a helpful addition for guests on a snowy evening. The entrance leads to a small foyer that opens out into a series of intimate and charming rooms with a central staircase, all painted in pale yellow with brighter golden floor-to-ceiling curtains, large valances and swag ties. To the left is the main reception room, furnished with comfortable sofas and chairs covered in pale green and red. “Everything comes from Portugal,” the ambassador says. That includes the art. Notable is a painting by well-known Portuguese artist Noronha da Costa of dark, blurred figures that makes you think you should put on your glasses. In fact, it is a work of art in a style the artist made popular by applying oil paint with a spray gun to many of his works.

Also eye-catching are the Portuguese rugs that cover the pine floors. Many have a neutral background dotted with colorful embroidered flowers and were made in Arraiolos, which has been a centre of needlework rugs since the Middle Ages. These embroidered wool rugs are inspired by Oriental-style Persian carpets.

Behind the main reception room is a more casual room where a large flatscreen TV holds court. “For soccer,” says the ambassador with a wide smile.

It also provides an access, as does the reception room, to a very large side garden where the couple holds a National Day reception in June.

“We always pray for good weather and it’s always hot and sticky,” he says.

The second floor has a comfortable guest suite for the children when they come to visit from Portugal. To the right of the staircase is the kitchen, and a family sitting room with a family-size dining table. Next to it is a large addition that serves as a dining room that can seat 32 for a formal dinner. With its bright yellow walls and windows all around, the room suggests nothing less than a sunny day at the beach. The carpet is bright blue as are the seat coverings and...
on display are a Portuguese silver tea set and candelabra and china with the Portuguese crest, all lit by a beautiful crystal chandelier.

Although the couple has a Canadian-Portuguese chef, the food they serve is more international in flavour, with only certain national favourites making it to their table, depending on the guest list, the ambassador’s wife says.

Portuguese specialties are dominated by dishes made with pork and cod, so the couple sometimes includes its national dishes as appetizers. Dessert is a snap. Who doesn’t like a Portuguese favourite — crème brûlée?

This is the last posting for the smiling couple, who admit they will be happy to retire to Portugal, where they will be close to their three children, none of whom has entered the family business, and their three grandchildren. But until then, they will be on the job, welcoming friends, neighbours, officials and children, in a house they love, in a city they enjoy.

Margo Roston is Diplomat’s culture editor.
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Mizanur Rahman
High Commissioner for Bangladesh

High Commissioner Rahman holds a science degree from Sylhet Degree College; and a master’s in physics from Dhaka University.

He joined the foreign service in 1988, first as second secretary at the embassy in Sri Lanka, then as first secretary and counsellor in Russia, and as assistant high commissioner in Manchester, England.

He also served as director general for multilateral economic affairs, international organizations and administration. He became ambassador to the Netherlands in 2008 with concurrent responsibilities for Bosnia-Herzegovina, Croatia and Poland.

In 2010, he became ambassador to Egypt, with responsibilities in Cyprus and Algeria. Prior to becoming high commissioner to Canada, he was secretary of bilateral affairs at the foreign ministry.

He is married to Nishat Rahman, an educator by profession. They have a son and a daughter.

Pablo Guzmán Laujig
Ambassador of Bolivia

Ambassador Guzmán Laujig served as planning director at a financial institution that micro-finances production and exports. He was also a professor at a Bolivian university.

Between 1994 and 2005, Guzmán Laujig was a consultant in international negotiations, foreign trade and economic development, including working with the Bolivian team during negotiations for the Andean Community Agreement with the Bolivian team during negotiations for the development, including working with the

negotiations, foreign trade and economic

Ambassador Guzmán Laujig completed a master’s in economics and international policy in Mexico in 1990. He also studied at a Mexico City institution that specializes in world politics and economics.

Guzmán Laujig served as planning director at a financial institution that micro-finances production and exports. He was also a professor at a Bolivian university.

Between 1994 and 2005, Guzmán Laujig was a consultant in international negotiations, foreign trade and economic development, including working with the Bolivian team during negotiations for the Andean Community Agreement with the United States in 2002 and 2003.

In 2006, Guzmán Laujig joined the foreign ministry, where he served as director of the foreign policy analysis unit, director general of trade negotiations and deputy minister of international trade and integration. He was elected secretary general of the Andean Community in June 2013.

Jim Kelly
Ambassador of Ireland

Ambassador Kelly joined the Irish civil service in 1984. In 1986, he began studies for a business degree at University College Dublin, which he completed in 1990.

Kelly then worked as a consultant with Accenture, the leading global professional services company, for three years. When he left in 1993, it was to accept a position with the diplomatic service in Dublin.

He began his career in diplomacy as a third secretary at headquarters and two years later, was sent to Copenhagen. In 2001, as first secretary, he was sent to the EU’s permanent mission in Brussels and then returned four years later as first secretary in the political division.

In 2008, he was sent as deputy permanent representative, to Ireland’s permanent mission at the UN.

Prior to this appointment, he was director of the newly established policy planning division at HQ, reporting directly to the secretary-general of the ministry.

Karlis Eihenbaums
Ambassador of Latvia

Ambassador Eihenbaums began his career as an editor at a newspaper and later a lecturer at the University of Latvia before he joined the foreign ministry in 1993 as director of the Western European department and later the American department. Within that same year, he was posted as first secretary and deputy head of mission in London, where he stayed for three years.

In 1996, he returned to headquarters, where he worked as foreign adviser to Latvia’s president. Two years later, he was posted as counsellor and chargé d’affaires at the embassy in the Netherlands, and, during the same posting, became ambassador to the Netherlands. He returned to Latvia in 2003 and left again as ambassador to Israel the following year. In 2008, he was posted to Estonia and returned in 2013 to be the press secretary for the foreign ministry.

The ambassador is married to Ināra Eihenbauma and they have two children, a son and a daughter.

Nabil Maarouf
Chief representative
Palestinian General Delegation

Representative Maarouf was a member of the Palestinian National Council and was an adviser to the late former chairman of the Palestine Liberation Organization, Yasser Arafat, between 1982 and 1989. Between 1989 and 1993, he was assistant secretary general for the Organization of Islamic Cooperation.

Between 1994 and 2005, he was appointed diplomatic chief representative of the PLO to Spain. He was then sent to Turkey as chief representative from 2005 to 2014. He has also represented the PLO at various Islamic, Arab and international conferences, particularly between 1982 and 1993. He is the recipient of medals from Spain and Turkey for his contributions in strengthening ties with those countries.

Maarouf is married to Munira Maarouf and they have six children.

Chung-chen Kung
Representative
Taipei Economic and Cultural Office

Mr. Kung joined Taiwan’s foreign service in 1981 after completing a bachelor of arts in diplomacy from National Chengchi University. He later completed a master’s from the Elliott School of International Affairs at George Washington University.

He has had several foreign postings, including his first as consul at the consulate general in Johannesburg in 1984.

He later served as director of the Taipei Economic and Cultural Office in Boston and deputy director-general at the office in Los Angeles.

He returned to headquarters as deputy director-general of general affairs and later North American affairs before being appointed director-general in Vancouver and then in Los Angeles.

Most recently, he was director-general at the bureau of consular affairs in Taipei.
Joseph Ekpao Nolaki
Ambassador of Togo

Ambassador Nolaki joined the foreign service in 1986 after finishing studies in law and business, including a master’s in business, at the University of Benin. He joined the foreign ministry in the department of treaties and legal affairs and soon moved to the directorate of state protocol and consular affairs. In 1990, his first foreign posting took him to Zimbabwe as second secretary and the following year, he was posted as first secretary in Gabon. He returned to headquarters in 1998 and worked in political and legal affairs before becoming director of cultural and social affairs.

From 2002 to 2009, he was minister-counsellor in Libya and returned as director of political affairs in 2010. From 2014 until his posting to Canada, he was ambassador to Ethiopia and permanent representative to the African Union and United Economic Commission for Africa.

He is married and has five children.

Martin Alejandro Vidal Delgado
Ambassador of Uruguay

Ambassador Vidal Delgado joined the foreign ministry in 1998 in integration and MERCOSUR division. Two years later, he was posted to Brazil for six years, where he worked in the economic and trade department of the embassy.

In 2006, he returned to headquarters to work in the secretary general’s office at the foreign ministry, two years later becoming chief of staff. In 2008, he joined the permanent mission at the United Nations in New York and, in 2012, became deputy permanent representative for a year.

In 2014, he worked at headquarters as director of the environment division and soon after became deputy director for political affairs. In 2015, he became director-general for political affairs, before being appointed to Canada.

The ambassador has a degree in international relations from the Universidad de la Republica in Montevideo. He is married to Adriana Añón and they have two children, a son and a daughter.
1. Korean Defence attaché Col. Jang Min Choi attended a reception and concert at the Château Laurier to mark the 63rd anniversary of the Korean War Armistice, following an event at the Monument to the Canadian Fallen on the Mackenzie-King Bridge. (Photo: Ülle Baum) 2. Swedish Ambassador Per Sjögren hosted a Swedish National Day reception at his residence. From left: Jessica Hedin, counsellor at the embassy; Pontus Sandberg, research and development manager at Ericsson; former Ottawa Senators captain Daniel Alfredsson; Jeffrey Stanier, director at Ericsson, and Sjögren. (Photo: Ülle Baum) 3. The Professional Association of Foreign Service Officers held its annual awards evening at the Shaw Centre. From left, recipient Mona Yacoub, Citizenship Minister John McCallum, recipients Jacqueline Kalisz and Brigitte Fournier and Foreign Minister Stéphane Dion. (Photo: Gordon King) 4. Sharon Johnston, wife of Gov. Gen. David Johnston, hosted the presentation of HIPPY Canada’s “Because Mothers Matter Awards” at Rideau Hall. She’s shown here with Eleonore Wnendt-Luber, of Germany, right. (Photo: Ülle Baum) 5. Japanese Ambassador Kenjiro Monji and his wife, Etsuko, shown here, attended a garden party in support of the Friends of the National Arts Centre Orchestra. (Photo: Lois Siegel) 6. To celebrate the 25th Anniversary of Slovenian Independence, Slovenian Ambassador Marjan Cencen hosted a reception and art show at Ottawa City Hall. At left is guest of honour Gorazd Žmavc, Slovenian Minister for Slovenians Abroad, who was on a two-week tour of Canada and the U.S. (Photo: Ülle Baum).
1. Gov. Gen. David Johnston received letters of credence from several heads of mission in September. From left, Togo Ambassador Joseph Ekpo O Nolaki, Bangladeshi High Commissioner Mizanur Rahman, Irish Ambassador James Kelly, Johnston, Bolivian Ambassador Pablo Guzmán Laugier, Latvian Ambassador Karlis Eihenbaums and Uruguayan Ambassador Alejandro Vidal Delgado. (Photo: Sgt. Johanie Maheu, Rideau Hall) 2. The government of Ningxia Hui Autonomous Region of China and the embassy of China co-hosted a luncheon and presentation in advance of the China-U.S.-Canada tripartite conference on tourism in Ningxia in September 2016. From left, Weining Li, representative of the government of Ningxia Hui Autonomous Region of China, and Senator Victor Oh. (Photo: Ülle Baum) 3. Italian Ambassador Gian Lorenzo Cornado and his wife, Martine Laiden, hosted a garden party at his residence in support of the Friends of the National Arts Centre Orchestra. (Photo: Lois Siegel) 4. Russian Ambassador Alexander Darchiev and his wife, Tamila Akhmetzhanova, hosted a national day reception at the embassy. (Photo: Ülle Baum) 5. Portuguese Ambassador Jose Fernando Moreira da Cunha and his wife, Lurdas, hosted a national day reception at their residence. (Photo: Ülle Baum) 6. At their residence on June 16, Israeli Ambassador Rafael Barak and his wife, Miriam, both on the left, hosted a reception and talk by Ronald I. Cohen and writer Charlotte Gray for the Sir Winston Churchill Society of Ottawa. Cohen is shown at right, with his wife, Wendy. (Photo: Ülle Baum)
1. Emmanuel Niyonzima, second counsellor and chargé d'affaires at the embassy of Burundi, greets Indonesian ambassador Teuku Faizasyah and his wife, Andris Faizasyaha, at their national day at the Château Laurier. (Photo: Sam Garcia) 2. Finnish Ambassador Charles Murto, and his wife, Ritva, hosted a reception at their residence to say farewell. From left: Tuulikki Olander, incoming head of public diplomacy; Anni Ståhle, outgoing head of public diplomacy, and intern Janna Jaltasaari. (Photo: Ülle Baum) 3. Finnish Ambassador Charles Murto, and his wife, Ritva, are shown at the same reception. (Photo: Ülle Baum) 4. Hungarian film director Gyorgy Palfi, left, appears on set at the Hungarian embassy with Hungarian Ambassador Balint Odor during the filming of “His Master’s Voice,” a feature science fiction film. The Canadian-Hungarian co-production was shot in Ottawa. (Photo: Lois Siegel) 5. Malaysian High Commissioner Dato’ Aminah Tun Karim Shaharudin hosted an “afternoon with Malaysia” event introducing her country’s culture and tourism to the lucky winner who bid on the afternoon at a head of mission spouses’ association event. (Photo: Ülle Baum) 6. U.S. Ambassador Bruce Heyman, and his wife, Vicki, hosted a July 4 party for thousands of guests. (Photo: Ülle Baum)
1. The second annual defence and security summer social for industry executives, members of the Canadian Forces and defence attachés took place at the Earl of Sussex. Back row from left: Terri Pavelic, editor-in-chief of Vanguard Magazine; Paul Fortin, of Borden, Ladner, Gervais LLP; Colin Horton, trade economic adviser at the British High Commission; Bill Sugar, U.S. naval attaché; Astrid Neuland, business development executive at Thales Canada; Angela Son, wife of Korea’s defence attaché; and Anne Fortin, senior project manager at TELUS. Front row, Korean defence attaché Col. Choi Jan Ming. (Photo: Ülle Baum) 2. To mark the 810th Anniversary of the Great Mongol Empire, the 95th Anniversary of the People’s Revolution and the national day of Mongolia, Ambassador Radnaabazar Altangerel and his wife, Tseveendorj Tsetseglen, hosted a reception at the Château Laurier. A traditional Mongol yurt and photography exhibition was displayed on the terrace. (Photo: Ülle Baum) 3. Yahui Wang performed with the Chinese troupe, the Acrobats of Hebei, at the Great Canadian Theatre Company as part of the Music and Beyond festival. Chinese Ambassador Zhaohui Luo took in the show. (Photo: Ülle Baum) 4. Mahmoud Eboo, the Aga Khan’s resident representative, and his wife, Karima Eboo, hosted a reception in the atrium of their building on Sussex Drive. The Ebous were joined by Senator Peter Harder, right, who spoke at the reception. (Photo: Ülle Baum)
1. Pakistani High Commissioner Tariq Azim Khan held a flag-raising to mark the 69th anniversary of Pakistan’s independence. He celebrated with members of the Pakistani community. (Photo: Ülle Baum) 2. Argentine Ambassador Marcelo Suarez Salvia and his wife, Lucia, hosted a national day event at the Château Laurier. Their daughter, Catalina, also attended. (Photo: Ülle Baum) 3. Bosnia and Herzegovina’s foreign minister, Igor Crnadak, visited Canada this summer. He’s shown with Ambassador Kovijka Spiric. 4. Estonia participated at the 21st Casino Launey Sound and Light international fireworks competition. An Estonian-inspired dinner was served at the Grand Hall of the Canadian Museum of History prior to the show. From left: Ivo Melder, owner, RUF Fireworks, Estonia; Estonian Ambassador Gita Kalmet; Claude Hamelin, president of the casino’s Sound of Light show, and Yanick Roy, RUF Fireworks’ artistic director. (Photo: Ülle Baum) 5. Venezuelan Ambassador Wilmer Omar Barrientos Fernandez and his wife, Carla Josefina Gomez De Barrientos, hosted a reception to mark the 205th Anniversary of the Declaration of Independence of Venezuela and the Day of the Bolivarian National Armed Forces. (Photo: Ülle Baum) 6. On the occasion of the 89th anniversary of the founding of The Chinese People’s Liberation Army, Col. Haitao Zhu and his wife, Yu Wang, hosted a reception at the Chinese Embassy. (Photo: Ülle Baum) 7. The new ECCO Shoes store at the Rideau Centre officially opened with a ribbon cutting by ECCO Shoes Canada president Jordan Searle, left, and Danish Ambassador Neils Boel Abrahamsen. (Photo: Byfield-Pitman Photography)
1. Italian Ambassador Gian Lorenzo Cornado (left) hosted a garden party at his residence in support of the Friends of the National Arts Centre Orchestra. He is pictured with Chief Justice Beverley McLachlin and her husband, Frank McArthure. (Photo: Lois Siegel) 2. The High Commission of Malaysia hosted the 2016 ASEAN picnic at Vincent Massey Park. Heads of mission, staff and their families took part. Here, Thai Ambassador Vijavat Isarabhakdi leads his team in a tug-of-war. (Photo: Sam Garcia) 3. To mark Victory Day, Turkish Ambassador Selçuk Unal and his wife, Lerzan Kayihan Unal, and military attaché Col. Ersin Özkan and his wife, Funda Özkan, hosted a reception at the ambassador’s residence. (Photo: Sam Garcia)
The Glebe - $6,500 per month
Rideau Gardens - $1,399,000
Rockcliffe Park - $1,649,000
Rockcliffe Park - $3,499,000
Rothwell Heights - $1,375,000

The Finest Portfolio of Luxury Homes in Ottawa
At first glance on the world map, the Republic of Moldova will most likely go unnoticed due to its size. Bordered by Romania and Ukraine, between the Carpathian Mountains and the Black Sea, Moldova is a small country with only 3.5 million people and a relatively short history of independence. Its key geographical position in Southeast Europe made it attractive for big powers throughout history that sought to command it. Since the collapse of the USSR, a newly independent Moldova has much to offer to its citizens as well as visitors.

If you are fond of history, why not visit Tipova, one of Eastern Europe’s largest cave monasteries? It dates back to the 10th Century. Or you could stop to admire the breathtaking valley called Orheiul Vechi, where you can find traces of old civilizations from as early as the fifth Century BC. Moldova has become a popular destination for visitors who enjoy a rustic environment and picturesque scenery.

And when it comes to visitors, this small country has proven time and again that nothing beats Moldovan hospitality. If you visit, you are guaranteed to savour an overflowing table of local dishes made with fresh ingredients. This country is blessed with a mild climate and rich black soils and the share of agricultural products in its total exports is 45 per cent of GDP, so it comes as no surprise that the quality and

By Ala Beleavschi
Ambassador of Moldova

Codrii is a hilly and picturesque area of Moldova. In the background, you can see one of many monasteries in the country.
taste of its produce is truly outstanding. This makes Moldova a great destination for delicious culinary experiences. But what about the wine?

Perhaps the most famous attribute of Moldova’s heritage is the wine. Winemaking and viticulture are deeply embedded in the Moldovan patrimony, with evidence suggesting that its ancestors first used grapes to produce wine as early as 3000 BC. If you look closely at Moldova on the map, you will notice it resembles a cluster of grapes and it is indeed perfectly located to grow them.

Moldova ranks 14th in wine production
Given that, Moldovans have become quite talented at producing exquisite wines over the centuries. Moldova now exports top-quality wines all over the world, including Canada. As proof of the popularity of Moldovan wine in Canada, in 2015, our wine exports grew considerably, up 10 times from 2013, and 4.4 times that of 2014. Last year, the LCBO was selling Rara Neagra of Purcari 2013 for $20.95 a bottle and it intends to restock the shelves with a shipment coming in October 2016, so watch for it.

In 2012, with 1.5 percent of the world wine output, Moldova ranked 14th in the world in wine production. The country boasts more than 140 wine companies, employing more than 250,000 people. That means more than 67 million bottles of Moldovan wine are exported to more than 30 countries. Red wines edge out white at 55 per cent of our exports. Foreigners seem to enjoy them. The wines have continued to win awards at prestigious wine competitions, including the Decanter World Wine Awards, International Wine Contest and ProWein Düsseldorf.

To fully appreciate its flavour, I strongly encourage you to dive into the full experience of tasting wine at one of Moldova’s famous wineries. They have become so popular that the country has developed a successful wine tourism sector, an excellent opportunity for wine connoisseurs.

Perhaps the greatest difficulty will be to choose your favourite: Moldova has 148,000 hectares of vineyards. That’s more than the 120,000 hectares of Bordeaux grapes growing in France.

So it shouldn’t come as a surprise that Moldova is also home to the world’s largest underground cellar and wine collections. Some of the storage cellars, with mazes carved in limestone, span hundreds

Tourists can book a room at the Purcari Winery, shown above, to enjoy the views, the traditional cuisine and the wines a little longer.
One of the wineries definitely worth visiting is Milestii Mici, located 20 kilometres south of Moldova’s capital, Chisinau. With more than two million bottles stored at a depth of 80 metres, its cellar stretches out for nearly 200 kilometres underground. In fact, it boasts the world’s largest wine collection, according to Guinness World Records.

A smaller, but perhaps equally impressive and certainly more popular winery, is Cricova. Its cellars span more than 120 kilometres underground, with perfect temperature and humidity conditions all year round. It also includes a very exclusive one-of-a-kind collection of wines, including a 1902 Jewish dessert wine.

The list of famous guests who have visited Cricova include German Chancellor Angela Merkel, Russian President Vladimir Putin, U.S. Secretary of State John Kerry and Soviet cosmonaut Yuri Gagarin, who once famously joked that he found it easier to leave the planet than the Cricova winery in Moldova.

As mentioned, in Canada, mainly in Ontario and Alberta, you can taste Rara Neagra of Purcari, produced by Chateau Purcari, which also has a famous winery in Moldova, located 120 kilometres south-
east of Chisinau in the Dniester region. Today, Purcari sells 65 per cent of its wine in the EU, thanks to a strong growth in demand from countries such as Romania and Poland. Purcari has earned, over the decades, more than 160 medals at the most prestigious international competitions, such as Decanter, Challenge International du Vin, Concours Mondial de Bruxelles and International Wine and Spirit Competition. Purcari wines are produced only in limited editions and are matured exclusively in French oak barrels, according to the strictest canons of traditional viticulture.

In addition, the winery now offers luxurious guest suites and a great restaurant in which wine aficionados can indulge during a weekend escape outside the urban area. Rewarding tastings and tours can be staged year-round. I would strongly recommend Chateau Purcari to Canadian tourists. And, while we’re on the subject of Canadians travelling to Moldova, you don’t even need a visa.

Finally, another winery worth visiting is Chateau Vartely. Located about 60 kilometres north of Chisinau, it occupies a private spot near the city of Orhei. With a wide selection of red and white wines, you can sample a bit of each while enjoying Moldovan hospitality in one of its 12 wooden bungalows with private terraces and sitting areas.

Moldova’s famous wine festival
Indeed, Moldova takes great pride in its wine culture — so much so that each year in October, it hosts the famous Moldova’s Wine Festival, where you can enjoy not only well-known favourites such as Milestii Mici, Cricova, Purcari and Chateau Vartely, but also emerging brands such as Fautor, MiMi, Et Cetera, Gitana and Equinox.

With a delicious range of red and white, sweet and semi-sweet, dry and sparkling,
Moldova is gradually building its brand awareness. In 2013, it created the National Office for Vine and Wine, with the goal of promoting its wines in national and international markets. In fact, you can also find a national brand “Wine of Moldova” aimed at increasing visibility abroad.

Indeed, in terms of wines, Moldova has a lot to offer. But one must not forget that a country with such rich soils and hardworking people has plenty of other products worthy of international acclaim.

For example, Moldova has partnered with the European Union to promote its produce in Europe. In 2014, it signed an association agreement with the EU, which includes a free-trade area and grants it access to the biggest market in the world. This has helped grow its exports to 65 per cent from 52 per cent in 2014. By comparison, the share of the former USSR market for those Moldovan products favoured by the EU market has dropped by more than one third since 2014.

The European Investment Bank offers financial incentives to develop Moldova’s export sector, which finances up to 50 per cent of investments in the agricultural sector, including the wines, of course. Investors from as far away as China, South Korea and Nigeria are showing interest in investing in Moldova and now, Moldovan wines are slowly gaining recognition in North America.

My small country between Romania and Ukraine may not be the most visible on the world map. In fact, if you ask a foreigner about Moldova, there is a good chance they will point to the famous islands in the Indian Ocean, 6,600 kilometres away. But if you enjoy a nice glass of wine, picturesque scenery, delicious food and pleasant company, Moldova is a great place to start, especially for those who are tired of the beaten path.

Ala Beleavschi is Moldova’s ambassador to Canada.
# Celebration time

A listing of the national and independence days marked by countries

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Photographer Mike Beedell met this mighty herbivore during a howling wind on the coast of Ungava Bay in Arctic Quebec. He was with a herd of 10 animals and Beedell was camping nearby for a week to observe and photograph them. Muskox are circumpolar and their lifespan averages 12 to 20 years. Adults weigh from 225 to 365 kilograms, but they often look much larger due to their heavy coat. The Inuit word for the muskox is umimmak, meaning “bearded one.” The creatures grow the finest wool and Inuit treasure the product, which can be gathered on shrubs and rocks when the animals rub it off in the spring. Qiviut is their word for this downy wool covered by long guard hairs. It allows the creatures to live in the extreme cold of the high arctic without any shelter. Muskox have razor-sharp horns and heavy skulls, which can be used with deadly force against wolves.
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