

negotiations and signed a bilateral fisheries agreement for the east coast and agreed to refer their maritime boundary in the Gulf of Maine to international adjudication. Canada and the U.S. also signed two other fisheries agreements, one amending their Pacific Halibut Convention and the other regulating the U.S. catch of west coast ground fish in Canadian fisheries waters until March 31, 1981. Talks were also held with the U.S. on the west coast salmon interception problem. Interim arrangements relating to fishing in the area of St. Pierre and Miquelon in 1980 were agreed with France. In 1979, the Canada-EEC fisheries agreement, as amended, was extended to apply to 1980, and negotiations were started on a long-term fisheries agreement with the Community.

CANADA AND THIRD WORLD DEVELOPMENT

North-South questions

Problems in the world economy and their severe effect on developing countries had a marked influence on the North-South dialogue during 1979. Two events were of significant importance in 1979 in furthering the dialogue; the agreement on the creation of a Common Fund to support commodity stabilization measures and the discussions and negotiations at the UNCTAD conference in Manila. Canada participated actively in these and other areas by means of our membership in the range of development-oriented UN institutions, through the Commonwealth and la Francophonie and through bilateral contacts.

As the North-South dialogue proceeded during 1979, it became clearer that new approaches were required to respond to the different needs and interests within the group of developing countries. Following a developing countries' proposal, the UN General Assembly adopted a resolution calling for global negotiations on international economic development. This new and major initiative, calling for negotiations in five main areas—raw materials, trade, energy, development, money and finance—will be pursued during 1980. Preliminary work was also begun on a new international development strategy for the 1980s.

Support for International development

Canada continued strongly to support international development and the improvement of the situation of the developing world through a large development assistance program. This was a fundamental component of foreign policy despite significant budgetary cutbacks as a result of government expenditure reduction programs. Canada continued to follow an aid strategy of concentrating aid in those specific sectors of developing countries which were most in need of assistance and which encompassed the poorest members of the world community. Canada contributed both bilaterally and multilaterally to programs aimed at these sectors. The Canadian International Development Agency's budget for 1979 was in excess of \$1.1 billion.

REGIONAL CO-OPERATION

Canada-U.S.A. co-operation

The management of relations with the United States remained Canada's highest bilateral priority during 1979. Among the achievements for the year were: record levels of bilateral trade; the conclusion of negotiations on the East Coast Fishery and Maritime Boundary Agreements; the establishment of a bilateral consultative mechanism on energy; the Vessel Traffic Management Agreement; a memorandum of understanding on co-operation in research and development related to the tar sands and heavy oil; co-operation on the Northern Gas Pipeline; and a commitment to develop a co-operative agreement on air quality. Close consultation on international matters continued on such subjects as nuclear non-proliferation and disarmament, law of the sea, human rights, and world political developments.

Western Europe and the Pacific Rim

During 1979, Canada attempted to broaden the base of its relationships with the European Communities and the countries of Western Europe to include a greater political dimension to match the expanding economic one. The gradual emergence among the member states of the Community of a coordinated approach to foreign policy led in 1979 to increased consultations between Canada and the Community on a wide range of issues. Canada continued to make efforts during 1979 to further economic relations with individual members of the European Community, particularly the Federal Republic of Germany, France and the U.K. The results of the multilateral trade negotiations concluded in 1979 increased market opportunities in Canada and Western Europe.

Canada continued to expand and diversify its economic and political relations with Japan and the countries of the Pacific Rim. The potential for broadened relations with this region was the subject of heightened interest during 1979 both among the general public and in the business community, particularly in western Canada. Canada's relations with Japan continued to develop and included a meeting in 1979 of the Joint Japan-Canada Economic Committee.

THE HUMAN DIMENSION

Refugees and human rights

The global refugee problem in 1979 remained extremely serious. Particular international attention was, to an important degree, dominated by the situation in the countries of Indochina and the distressing fate of the boat refugees from Vietnam. In response to the problem of the boat refugees and the overland refugees from Laos and Kampuchea, Canada established its most ambitious refugee resettlement program since the years immediately following World War II, and made a major contribution to Kampuchean relief. The Canadian public responded warmly to the refugee sponsorship program. On a number of occasions during