

nations. However, debt service levels still remained very high, representing significant barriers to growth in some developing countries. In addition, continuing high interest rates posed ongoing financing problems for the developing world. It was also evident that recovery in the Third World based largely on continuing expansion in industrialized countries was not yet guaranteed. However, during the year, the general global recovery resulted in some improvement in the trade performance of developing countries.

The government undertook to raise the concerns of the Third World with developed countries. Notably, at the Kingston meeting of Caribbean Commonwealth heads of government, the Prime Minister undertook to convey to the forthcoming Summit meeting of leading industrial states Caribbean concerns over access to financing.

Canada also played a significant role in the most critical humanitarian-developmental crisis of 1984-85, the Sub-Saharan African famine. Over 500 000 Canadians donated more than \$35 million to Ethiopia and Africa, a sum matched by \$65 million in special governmental emergency relief (the latter figure being additional to \$150 million in food aid and \$18 million in other forms of humanitarian assistance to Africa).

International political-strategic concerns centred on the conduct of East-West relations. The London Summit declaration on East-West relations was a modest step in the right direction, but widespread concern continued over the virtual absence of US-Soviet dialogue and the continued interruption of bilateral arms negotiations. In this atmosphere, the successful Intermediate-Range Nuclear Force (INF) deployment in Western Europe continued to cause unease in some North Atlantic Treaty Organization (NATO) countries.

Prospects for East-West dialogue improved following President Reagan's election to a second term and the accession of Mikhail Gorbachev to the Soviet leadership. With the apparent resolution of the USSR's leadership succession problems, there seemed to be prospects for Soviet attention to be focused more on East-West differences. US-Soviet arms negotiations were finally resumed in Geneva in March 1985. While these talks were expected to yield substantial results only slowly, the resumption of direct bilateral negotiations was an important step.

One issue that bore significantly upon the Geneva process was the US Strategic Defence Initiative (SDI), which attracted considerable international attention. In a statement to the House of Commons on January 21, 1985, the Secretary of State for External Affairs Joe Clark welcomed the announcement of the resumption of US-Soviet arms negotiations. He said it was appropriate that the actual and potential defensive systems of both sides should figure in the new negotiations, and because the full nature of the SDI program was not clear it would be premature to draw definite conclusions and it would be prudent for the US to proceed with that research program. At the same time, he emphasized that moving from research to actual deployment would transgress the Anti-Ballistic Missile (ABM) Treaty; accordingly, the

government welcomed President Reagan's assurances that the US would not go beyond research without discussion and negotiation.

In March 1985, the US invited NATO allies, Japan and Australia to participate in SDI research, and the respective governments began their deliberations on the strategic and economic considerations that would eventually determine their responses.

At the Quebec Summit in March 1985, Prime Minister Mulroney reaffirmed the Canadian position on SDI, emphasizing that the new government intended to make national security a high priority and announcing a strengthening of Canada's contribution to collective security. A contingent of 1 200 troops would be added to Canadian forces in Europe, and agreement was reached with the US to develop the technologically advanced North Warning System to replace the obsolete Distant Early Warning line, a project which amounted to a new defence commitment of about \$600 million on Canada's part. The Quebec Summit's achievements in trade and the environment as well as security provide concrete evidence of the new spirit of co-operation between Canada and the US.

During the year, there was little perceptible easing of ongoing conflict and strain in several regions. In the Middle East, the situation in Lebanon deteriorated further with the virtual collapse of the government and intensified violence among different religious groups, while the Iran-Iraq war continued to rage. Arab-Israeli relations remained tense, although the Jordanian-Palestinian Liberation Organization (PLO) agreement of February 1985 represented some progress that might lead towards talks.

The situation in Cambodia worsened with the destruction of the remaining bases of the anti-Vietnamese Cambodian resistance forces, coupled with a significant escalation of tensions on the Thai-Cambodian border.

In Central America, there was some improvement of conditions in El Salvador under the new Duarte government, but in Nicaragua attacks by anti-government forces intensified. US-Nicaraguan dialogue made little progress. The Contadora group continued its efforts to develop viable plans to bring peace and stability to the area. In South Africa, civil unrest and government oppression increased to such an extent that there is now an atmosphere of crisis.

Canada continued to urge peaceful resolution of regional conflicts through means that addressed indigenous problems and avoided the introduction of extraneous East-West tensions. There was increasing public concern in Canada over the situation in Central America and general public approval of the Canadian position of supporting the Contadora peace efforts and opposing the militarization of the region.

Canada also continued to work to strengthen the multilateral political system. Considerable Canadian effort was devoted to necessary reforms of the United Nations (UN), most particularly within the United Nations Educational, Scientific and Cultural Organization (UNESCO).