

the Canadian Government is to enhance the mutual benefit inherent in the relationship, while developing to their maximum Canada's distinctive interests and priorities.

The year culminated for Canada in the initiation of important new arrangements for the consolidation of bilateral links with other industrialized countries. Well-established traditional Atlantic ties meant that the countries of Western Europe — especially the members of the European Community (EC) — continued during 1976 to provide significant and parallel opportunities for expanded commercial and industrial co-operation, cultural and scientific exchanges and consultation and collaboration on a wide range of matters of common interest and concern. The conclusion of the Framework Agreement for Commercial and Economic Co-operation with the Community established an important means of strengthening ties with Western Europe.

The Prime Minister's visit to Japan in November was the occasion for the expansion and diversification of bilateral relations. It saw the conclusion of the Framework for Economic Co-operation and a cultural agreement designed to provide the basis for the enlargement of existing programs and exchanges, the establishment of new ones and the enhancement of mutually-beneficial co-operation. Together, they will affect the shape and pattern of the relationship over a broad spectrum of interests.

The visit during the summer by the Secretary of State for External Affairs to Australia and New Zealand reinforced Canada's close ties with those countries.

★ ★ ★

The year 1976 will not be remembered primarily for dramatic developments, although the change of leadership in a number of countries held far-reaching implications. For Canadians, it is probable that the international scene in 1976 will be remembered for the spectacle, and the tensions, of the Summer Games of the XXI Olympiad, which were held in Montreal, Kingston and other centres in July. The year was, in fact, essentially a period of transition, involving an assessment and

evaluation of recent developments and a search for compromise. Decisions on many of the important issues of the day — the multilateral trade negotiations, the Conference on International Economic Co-operation, the United Nations Conference on the Law of the Sea, the follow-up to the Conference on Security and Co-operation in Europe, the Mutual and Balanced Force Reduction talks, the Strategic Arms Limitation Talks, the Middle East and Southern Africa — were carried over into 1977 as subjects of continuing negotiation. On the other hand, it could be said of 1976 that it was a year of constructive effort to formulate basic lines of agreement, a year of consolidation that maintained and generated momentum for major decisions in the 12 months ahead.

---

On September 15, Allan J. MacEachen was succeeded as Secretary of State for External Affairs by Don Jamieson, who had been Minister of Industry, Trade and Commerce.