

Against the background of the frequently recurring resort to force in the world, Canada continued to promote the achievement of peaceful solutions through the United Nations and remained the major contributor to continuing peacekeeping operations. Canada's experience on the Security Council in 1977 and 1978 underlined the need for the Security Council and the General Assembly to be actively involved in seeking solutions to the political problems underlying various conflicts. Canada's membership in the Group of Five dealing with Namibia, and the joint Canada-U.S.-Britain initiative designed to facilitate the resumption of the intercommunal negotiations in Cyprus, were examples of how Canada worked to encourage the UN to move in this direction.

#### Canadian Unity and Identity

The Department continued to strike a sensitive policy balance aimed at reflecting the interests and concerns of English- and French-speaking Canadians and of the ten provincial governments in the context of a coherent foreign policy. Further means of involving and supporting provincial authorities in the international arena were developed with a view to establishing a common national interest. Special efforts were made to consult the provinces, as well as the private sector, regarding the positions adopted by Canada in the Multilateral Trade Negotiations and in maritime boundaries and fisheries negotiations with the United States. Through the Department's public affairs and cultural affairs program, the international community was made increasingly aware of Canada as a democratic, bilingual and multicultural society, capable of resolving positively its internal problems. Active and committed participation in the Commonwealth and La Francophonie contributed to this effort.

#### International Economic Relations

Canada played its full part in addressing common problems of growth, inflation, unemployment and monetary instability — in the Organization for Economic Co-operation and Development and the International Monetary Fund, and particularly through our participation in the Bonn meeting of the seven-member "Economic Summit" group. The important links that exist between domestic and international economic problems underlined the need for a strengthening of consultative arrangements among the industrialized countries. There was a growing realization that co-ordinated action would be beneficial not only to major industrialized nations but to the international community at large.

As the Multilateral Trade Negotiations entered their final phase during 1978 it became clear that a successful outcome would contribute significantly to fairer and more open conduct of international trade. Canada's exports stand to benefit directly from the general reduction of tariffs and the removal of non-tariff barriers. It is hoped that Canada's industrial competitiveness will improve both