

in the Multilateral Trade Negotiations and in maritime boundaries and fisheries negotiations with the United States.

There has been continuing recognition in the department's activities of the contributions of Canadians of many cultural origins. Through our public-affairs program, and in other ways, the international community is being made increasingly aware of Canada as a vibrant, outward-looking and democratic society, capable of resolving positively its internal problems. Foreign countries, for their part, value highly the constructive role that a united Canada has played and can continue to play on the international scene.

#### International economic relations

The past year saw a strengthening of consultative arrangements among the industrialized countries and underlined the important linkages that exist between domestic and international economic problems. Canada played its full part in addressing common problems of growth, inflation, unemployment and monetary instability; we did this in the Organization for Economic Co-operation and Development and the International Monetary Fund, and particularly through our membership in the seven-member "economic summit" group. The results of the OECD ministerial meeting in June and of the Bonn "summit" in July reflected the growing conviction that co-ordinated action would be beneficial not only to the major industrialized nations but to the international community at large. Recent events in Iran will further test the capacity of the international community to manage the global economy — a challenge we can meet more confidently as a result of discussions last week in the International Energy Agency, in which Canada is an active participant.

A successful outcome to the Multilateral Trade Negotiations, which are now in their final phase, should contribute significantly to more open and fair conduct of international trade. Canada's exports stand to benefit directly from the general reduction of tariffs and the removal of non-tariff barriers. Although import competition will naturally increase in some areas, many "input" costs will decrease; this should contribute to Canada's industrial competitiveness domestically as well as in export markets. The MTN results, however important, will, of course, be only one factor in the broader adjustment process facing the Canadian economy and the world at large. An important element in this process remains the increasingly-complex economic relations between the developed and developing countries.

#### North-South challenge

Canada remains committed to the "North-South dialogue" and, despite the economic difficulties we share with other industrialized countries, a substantial development-assistance program. We carry on our dialogue with the Third World in many ways: at the United Nations, through bilateral contacts, *ad hoc* groupings, or by means of contacts in the Commonwealth and La Francophonie. An indication of our commitment was the participation by the Prime Minister in the "Manley summit" in Jamaica, which provided an informal opportunity for discussion of major North-South issues by a small group of government leaders. Considerable attention was devoted to improving the atmosphere of the "North-South dialogue" by avoiding rhetorical confrontations and fixed bloc positions, and to the desirability of giving priority to those issues where progress can realistically be achieved. We are hopeful that the