

scientific relations with the Third World during the year. A number of science-related inter-agency agreements were concluded with developing countries, including Mexico, Brazil and China. Canada also participated actively in the Intergovernmental Committee on Science and Technology for Development (ICSTD), the body charged with the work initiated by the 1979 UN Conference on Science and Technology for Development (UNCSTED).

Air transport

Levelling-off in international passenger traffic growth, widespread fare competition and over-capacity in some of the major markets made 1981 one of the worst years in commercial aviation profitability. Canadian airlines were not immune to these trends and, while they were not as seriously affected as those of some other countries, they were nonetheless forced to curtail certain services.

During the year, Canada pursued with the Federal Republic of Germany a series of negotiations aimed at revising the 1973 Bilateral air agreement. Negotiations restarted with the United States on the broad spectrum of the transborder air relationship, and talks with India on establishing the first direct air links between the two countries were reconvened. None of these negotiations was concluded during the year. While an agreement with Romania was initialled in June, it had not been finalized by year-end. Negotiations were also held with Mexico, Barbados and Jamaica on bilateral air transport questions.

The Department was active in a number of informal contracts that may lead to future negotiations. It also participated in the resolution of differences that have arisen with some of Canada's aviation partners as a result of different regulatory policies, fare and tariff disputes and difficulties associated with the implementation of agreements.

The Department was also intensely involved in putting into place the international arrangements required for the airlifting of almost 60,000 refugees between Southeast Asia and Canada by a special charter flight program as part of the government's Indochinese refugee program which was concluded during the year.

Maritime and multimodal transportation

International consideration continued of the major maritime transport policy issues identified at the fifth session of the United Nations Conference on Trade and Development (UNCTAD V) in 1979. UNCTAD's consideration of phasing out open-ship registries was characterized by a clear divergence of views between the developing and industrialized countries.

Cargo reservation systems remained an area of considerable concern with the EC continuing its preparations prior to Europe-wide accession to the UN code of conduct for liner conferences. Canada, along with a number of other OECD countries such as the USA, Australia and New Zealand, remained