

In Mexico, the economic growth rate was in the order of 8 per cent, a situation largely attributable to oil. New oil discoveries were made in 1979. President Lopez Portillo went to the United Nations in autumn to propose an energy program designed to favour the developing countries.

The initialing of industrial co-operation and energy agreements was the predominant event in relations between Canada and Mexico in 1979. These agreements envisaged the supply of Mexican oil to Canada and Canadian participation in Mexico's industrial development. In tourism, almost a quarter of a million Canadians chose Mexico for their winter holidays in 1979.

The Speaker of the Senate attended the inauguration of Venezuelan President Dr. Herrera Campins in March 1979. Venezuela is our chief trade partner in Latin America with trade totalling \$2.25 billion. In 1979, our trade deficit with that country reached \$858 million, representing a 43 per cent increase over the previous year's figure.

The Speaker of the Senate also attended the inauguration of President Figueiredo in Brazil, who has pursued vigorously the policy of liberalization of the political institutions advocated by his predecessor. Canada continued to develop its relations with Brazil in 1979, and hosted the first working session of a sub-group on agriculture set up in 1978 at the second session of the Canada-Brazil Joint Commission.

Development assistance and trade are the major components of Canada's relations with the Andean countries of Colombia, Ecuador, Peru and Bolivia. Trade with Ecuador and Bolivia declined by 30 per cent and 18 per cent respectively in 1979.

The Minister of State for International Trade attended the inauguration of President Roldos in Ecuador in July. In Bolivia, the Congress chose Lidia Gueiler, President of the Chamber of Deputies, to be President of the Republic and to prepare the way for new elections: A Constituent Assembly was elected in Peru, where the financial situation improved appreciably during the year.

In 1979, after ten years of existence, the Andean Pact gave further study to foreign policy issues, and so adopted a common position at the conference of non-aligned countries in Havana, and unanimously condemned the Somoza régime in Nicaragua as well as the *coup d'état* of Colonel Natusch Bush in Bolivia. Canada follows closely the initiatives of the Andean Pact, and maintains an adviser to this organization.

Our exports to Argentina increased spectacularly, rising from \$96 million in 1978 to \$280 million in 1979. Underlining the importance of our commercial relations with that country, the Minister of State for International Trade went to Argentina in September. Canada hoped to sell a second nuclear reactor to Argentina, but the contract was given to German competitors. The Inter-American Commission on Human Rights went to Argentina on the invitation of the

government and submitted its report to that country for comments.

Canadian trade and investment in Chile continued to prosper; the foreign affairs ministers of the two countries met at the United Nations General Assembly, the first such contact between Canada and Chile since 1973.

The non-aligned countries met in Havana in September 1979. At that meeting, there was not complete unanimity regarding future directions. Trade between Canada and Cuba increased by 30 per cent in 1979. The President of the Bank of Cuba visited Canada's financial leaders, and the Minister of Electricity went to James Bay to visit the Hydro-Quebec plant.

The Dominican Republic was devastated by a hurricane during the summer of 1979, and the Canadian government contributed \$950,000 to various relief and reconstruction ventures there.

Canada appointed three new honorary consuls in Latin America in 1979, at La Paz, Asuncion and Santo Domingo.

Commonwealth Caribbean

The Commonwealth Caribbean which witnessed many new developments in 1979 remained an area of interest to Canada, which has important political, economic, cultural and social ties with the region. Significant changes in government in the Eastern Caribbean occurred, reflecting the political flux of the area as a whole. The government of Eric Gairy in Grenada was overthrown in March and replaced by the People's Revolutionary Government. After leading St. Lucia to independence in February, the government of John Compton was defeated at the polls by the St. Lucia Labour Party. Following a constitutional crisis in June, an "interim government" was established in Dominica and, in October, St. Vincent joined the ranks of newly independent states.

Economically, the problems of the region persisted and in several countries balance-of-payments difficulties grew at an alarming rate. Unemployment continued to increase, particularly among the young, and the draining-off of skilled manpower through emigration intensified problems of management in the public and private sectors.

Canada's interest in the economic stability and growth of the area was given new emphasis in January with the signing of a Trade and Economic Agreement between Canada and the member states of the Caribbean Common Market (CARICOM); the new Agreement replaces the Canada-West Indies Trade Agreement of 1925 and is the first such accord between Canada and a group of nations of the developing world. It includes provisions for facilitating two-way trade and financial and technical co-operation; it breaks new ground, especially in the area of industrial co-operation. The Agreement is expected to create the conditions for the development of a whole host of new activities undertaken jointly by Canadian and Caricom