

The European Community and Japan

Despite the generally unfavourable economic climate, special attention was given in 1977 to expanding and diversifying Canadian economic and political relations by creating closer ties with Japan and ensuring that Canada's interests would be considered by an increasingly-integrated European Community and its member countries. Special efforts were made to give substance to formal agreements such as Canada's contractual link with the EC.

The North-South challenge

Relations with the developing nations were of major concern during 1977. Canada's support for a net transfer of resources to the poor countries through a large development-assistance program remained a fundamental component of its foreign policy. Its aid program continued to expand, and increasing attention was given to the place of an efficient and humane program within the framework of Canada's foreign policy in the light of its national interests.

Trade and investment relations with a number of increasingly important countries in Latin America, Asia and Africa developed further during 1977 as Canada adjusted its foreign policy to the diversities of the Third World. Simultaneously, Canada worked in many institutions to achieve harmony in relations between the developing countries and the advanced industrial societies; to this end its privileged access to the councils of the Commonwealth and La Francophonie and its undiminished commitment to the United Nations system were invaluable. The work of the Conference on International Economic Co-operation in Paris, which concluded with mixed results in mid-1977, was carried forward by negotiations on the Common Fund, commodity agreements, the debt problems of developing countries and other complex questions.

Peace, security and East-West relations

Canada continued to support multilateral efforts towards reducing East-West tensions and promoting disarmament through participation in the Conference of the Committee on Disarmament, the talks on Mutual and Balanced Force Reductions, the follow-up meeting in Belgrade to the Conference on Security and Co-operation in Europe and preparations for the UN special session on disarmament. Canada followed with special attention the Strategic Arms Limitation Talks between the super-powers. In addition, Canada maintained its commitment to global peace and stability with a significant and credible contribution to Western collective security through NATO and NORAD, and with the maintenance of peacekeeping forces under UN auspices in several world trouble-spots.

At the end of 1977, Canada shared with many countries the keen disappointment at the slow progress of the Belgrade meeting in contributing to the advancement of *détente*, human rights and co-operation in Europe, and there was concern over evidence of increasing East-West tension in other parts of the globe.

Nevertheless, the Belgrade meeting provided an opportunity for reviewing such progress as had been made in promoting security and co-operation in Europe during the two years since Helsinki. Canada and other Western countries left no doubt about how they considered the provisions of the Helsinki Final Act should be implemented. Canada emphasized that respect for human rights and enhanced human contacts were essential to the sustaining of public support for *détente*.

Canada remained firmly committed to the principle of *détente*. Normal and businesslike relations were pursued with the Soviet Union and its Warsaw Pact allies, and Canada continued, in its bilateral relations with these countries, to pursue the interests of Canadians in such matters as expanded trade, cultural and scientific exchanges and family reunification.