

Nevertheless, Canada announced in 1980 that it was reversing the trend of recent years when its ODA declined as a percentage of gross national product (GNP), and committed itself to reach 0.5 per cent by 1985. For the end of the decade, Canada's best efforts would be devoted to reaching the target of 0.7 per cent. In 1980 also, the government announced an advance payment of \$165 million to the International Bank for Reconstruction and Development's (IBRD or World Bank) soft loan affiliate, the International Development Agency (IDA), and agreed that the Commonwealth Caribbean should be a priority region for Canada in the Third World.

CANADA'S ECONOMIC WELL-BEING

International economic relations

The trends evident in the late 1970s—slow growth, high unemployment and persistent inflation—continued to trouble the world economy in 1980.

During the year, there was increasing recognition of the interdependence of economies both among industrialized countries and between these and developing countries, and acknowledgment of the need for longer term solutions. Canada participated actively at the June Economic Summit in Venice, where priority was attached to the continuing fight against inflation as well as to the development of a ten-year strategy to break the link between growth and oil consumption. Working in the General Agreement of Tariffs and Trade (GATT), the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD), Canada continued to promote solutions to international trade and monetary problems. Canada endorsed the OECD trade pledge, which reaffirmed the industrialized countries' commitment to resist protectionist pressures on the open trade and financial system—a system essential to Canada's continued economic well-being.

Consequent upon the 1979 signature of the Multilateral Trade Negotiations (MTN) agreements, efforts throughout 1980 concentrated on implementing the results of the negotiations. In this regard, the first tranche of the negotiated tariff was introduced on January 1, 1980.

No agreement was reached on a new international wheat agreement during 1980, although a number of alternatives were examined by a special committee of the International Wheat Council. A new food aid convention did enter into effect on July 1, increasing the guaranteed minimum annual level of grain shipped as food aid from 4.4 to 7.7 million tonnes.

In 1980, Canada and the UK concluded important negotiations on bilateral air transport rights affecting Air Canada and British Airways, and Canada and Argentina signed an industrial co-operation agreement. The *Convention on international multimodal transport of goods* was signed during the year.

Energy questions

Both international and domestic energy-related developments had an important impact on the conduct of Canadian

foreign policy in 1980. Energy was the dominant issue at the Venice Economic Summit, where the seven leading industrial countries agreed on a diverse range of measures aimed at the long-term restructuring of their energy economies through conservation, increased efficiency and oil substitution.

Although Iranian oil exports remained low throughout the year, a measure of stability seemed to be returning to the international oil market until September, when the outbreak of hostilities between Iran and Iraq disrupted exports from both countries and created new uncertainties. Member countries of the International Energy Agency (IEA) responded promptly with measures to ease market pressures, which the IEA ministerial meeting reaffirmed in December. Partly owing to market disruptions arising from hostilities in the Gulf region, international oil prices increased by about 25 per cent during the year.

Bilaterally, Mexican President Lopez Portillo's visit to Ottawa in May resulted in the conclusion of an energy and industrial co-operation agreement which included Canada's first government-to-government oil supply arrangement with another country—an arrangement providing for the supply of 50,000 bbls/day. At numerous meetings throughout the year, there were discussions on the possibilities for export of Canadian energy resources and technology, such as coal, liquid natural gas, uranium and nuclear reactors. Domestically, energy questions were the subject of intense debate throughout the year and led to the announcement in October of a comprehensive National Energy Program (NEP), one objective of which is to eliminate Canada's need for oil imports by 1990. Special actions were taken to explain the NEP and its international implications to interested foreign governments and businessmen.

In international nuclear affairs, Canada's nuclear industry kept up its marketing efforts. In 1980, approximately \$550 million worth of uranium was exported, and Canada's reactor industry pursued sales prospects in Japan, Korea, Romania, Mexico, Indonesia and Yugoslavia. In the implementation of Canada's nuclear non-proliferation and safeguards policy, a protocol amending the 1955 Canada-USA agreement was signed in March 1980. Negotiations with the Philippines, Switzerland and Australia were pursued and negotiations with Yugoslavia were initiated.

Multilaterally, the International Nuclear Fuel Cycle Evaluation (INFCE), in which Canada was an active participant, concluded in February. The two-year exercise did much to promote better understanding of both the technical and policy aspects of various nuclear fuel cycle programs. Efforts are now under way to build on the international dialogue which took place during the INFCE.

International law developments

The ninth session of the UN Law of the Sea (LOS) Conference, held in New York and Geneva in 1980, achieved settlement of the continental margin issues and most other issues concerning seabed mining, with the exception of the