



The Canadian engineer in charge supervises preliminary work on the Alto Anchicaya dam in Colombia, a project funded by CIDA.

facilitate the implementation of aid projects, technical assistance agreements were negotiated with a number of countries, and other countries of the region became eligible to receive assistance on a project-by-project basis. In 1972, Cuba and Haiti were included in this group for the first time.

In order to channel this assistance into sectors where Canadian expertise is most applicable to regional needs, emphasis was given to projects in agriculture, fisheries and forestry, education, community development and public administration. Canada also provided funds to Canadian non-governmental organizations engaged in developmental and humanitarian work in the least-developed countries of the area, and prompt disaster relief was extended to help alleviate the tragic situation following the earthquake in Managua, Nicaragua, in December, 1972. Canada's contributions to relief and rehabilitation in Managua total approximately \$3.6 million, including \$1.9 million in concessional loans.

Trade expansion

Trade and economic relations with Latin American countries were expanded in 1972. The preliminary sta-

tistics indicate that Canadian exports increased to \$613 million and imports to \$660 million, compared to \$550 million and \$607 million in 1971. In value terms this represented an 11.5 percent increase in Canada's exports and an 8.7 percent increase in imports. Approximately 75 percent of Canada's exports were composed of semi-manufactured and manufactured products. The majority of imported products were crude or raw materials. Long-term financing arrangements, provided through the Export Development Corporation, helped to promote exports to the area and indirectly assisted the economic development of Latin American countries. The EDC's financial involvement in Latin America doubled in 1972, reaching the \$1 billion level. Canadian investors were encouraged to consider joint ventures or opportunities related to the economic and social evolution of Latin American countries, and a large Canadian-financed industrial complex began its operations in the Dominican Republic.

Canada has also cooperated and consulted with Latin American countries on an increasing number of questions of common interest and concern. Mexican and Canadian outlooks on such questions as the Law of the Sea, fishing rights and environmental protection, for example, were subjects of close consultation. Canada joined with Mexico and the U.S.A. in tripartite talks on narcotics control. Disarmament was another subject on which liaison was maintained with countries such as Peru, Colombia and Mexico.

United States of America

The year 1972 was significant both in the development of Canadian policy *vis-à-vis* the United States and in the development of our bilateral relations. The nature of these relations was the subject of scrutiny in both countries, primarily as a reflection of the continuing policy re-examination which had been in progress over several years in response to changing world conditions. This led to important policy statements in Canada and in the U.S.A. The following section deals principally with bilateral developments, while contacts on broader international questions are dealt with elsewhere in this review.