

Canadian interest in MBFR results from a general desire to increase world security through a reduction of tension inherent in armed confrontation, and more specifically from Canada's direct interest in European security. However, Canada recognizes that, to be successful, force reductions in Europe (as in all successful arms control agreements) must avoid having a destabilizing effect, and therefore must be carried out so as not to operate to the military disadvantage of any side. Thus, it is hoped that the 1973 conference will initiate measures resulting in a major step in the direction of long-term stability and security on the European continent.

Economic Affairs

As the focus of international relations has increasingly included economic matters, the traditional distinctions between "political" and "economic" relations have become blurred. Foreign policies generally, and that of Canada in particular, have a substantial economic basis. Moreover, efforts to diversify international relations frequently are pursued first in economic areas.

Current international issues reflect this situation. Developed countries throughout the world have been faced with a monetary crisis, conflicts in the trade field and international inflationary forces. Increased economic interdependence has intensified the need for cooperation among these countries in order not only to achieve stable economic growth but also to ensure that environmental and other factors affecting national well-being receive due consideration. The growing economic content of relations with communist and socialist countries is readily evident. Relations with developing countries quite evidently focus largely upon trade, aid and other factors affecting their development, which must of course be a major policy consideration for the developing world.

Within this international environment Canada has its own economic policies. Their external ramifications and their consistency with our foreign policy objectives in general are the concern of a Bureau of Economic and Scientific Affairs within the Department. The Bureau

acts in close cooperation with other Government departments to achieve the pursuit abroad of Canada's international economic interests.

Accent on energy and resources

Throughout the world, energy and resource questions are of major concern. Canada has an important stake in practically every facet of the international energy situation. It is a significant importer and exporter of crude petroleum, a major exporter of coal, gas and uranium, and is now about to export complete nuclear power systems. Both bilaterally and multilaterally, Canada is engaged in discussion of energy issues with many foreign countries. With the U.S. such discussions cover a variety of subjects—northern pipelines, emergency oil-spill and clean-up coordination, import and export policies and security of supply questions. (The Canadian Government strongly objected to the marine transport of crude oil bound for U.S. refineries through Canadian coastal waters.) Within the OECD, NATO and such specialized bodies as the International Atomic Energy Agency, consultation has covered a wide range of subjects. These include international sales of Canada's reactor system and other nuclear equipment and materials (under controls to fulfill Canada's obligation not to contribute to the spread of nuclear weapons under the Non-Proliferation Treaty).

The rational development of domestic resources is of prime concern to the Government and led to the elaboration of new policies in a number of areas. These policies have had important implications for Canadian foreign relations, which the Department has had to take account of in the conduct of our foreign policy generally. Within a number of international organizations, including the United Nations, Canadian representatives have participated in international consideration of new policies and practices designed both to conserve non-renewable resources, to ensure reasonable control over them and a reasonable return to the countries in which such resources are located. In some cases this has led to increasing cooperation with other producers in order to achieve more stable and remunerative markets, including improved terms of access; in others it has led to