

sector of their economies. IFC provides risk capital for productive private enterprises in association with private investors and management, encourages development of local capital markets, and stimulates international flow of private capital. IFC makes investments in the form of share subscriptions and long-term loans, carries out standby and underwriting arrangements and provides financial and technical assistance to privately controlled development finance companies. Of IFC's total subscribed capital of US\$1.33 billion, Canada provided US\$3.6 million. IFC finances its activities through loans from its parent institution, the World Bank.

The International Atomic Energy Agency (IAEA) was created in 1957 as an autonomous international organization under the aegis of the UN which has empowered it to try to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world. In 1978, membership consisted of 106 states. Because Canada has been designated as one of the members most advanced in nuclear technology, including the production of source materials, a Canadian representative has served on the board of governors since the agency's inception.

Conferences and symposia, dissemination of information and provision of technical assistance are among the methods adopted to carry out the IAEA's functions. With rapid expansion in the use of nuclear power, much activity is devoted to this field as well as to the use of isotopes in agriculture and medicine. Another significant role is development and application of safeguards to ensure that nuclear materials supplied for peaceful purposes are not diverted to military uses. Under terms of a treaty for the non-proliferation of nuclear weapons, each non-nuclear weapons state adhering to the treaty was to conclude an agreement with the IAEA providing for safeguards on its entire nuclear program. The IAEA also imposes safeguards pursuant to agreements relating to individual nuclear facilities. Agency inspectors have carried out safeguard inspections in Canada and more than 60 other countries. Canada contributed \$1.6 million to IAEA in 1978 or approximately 2.7% of the total budget.

World regional activities

20.3

Canada and the United States

20.3.1

There is no more important external relationship for Canada than that with the United States. Because of geography and economic and social patterns, the two countries frequently meet to discuss various aspects of governmental policies and programs. Besides informal consultations, there are official and technical committees in which Canadian and US officials discuss defence and transboundary environmental matters. The International Joint Commission, an independent agency, was established by the US and Canada to deal with regulation of flows of boundary waters and the abatement of transboundary air and water pollution. Canada and the US have a long history of defence co-operation through a permanent joint board on defence and through NATO.

Canada and the US also work together on international questions in multilateral organizations such as the UN, the OECD, GATT, the IMF and others in which both countries are active members.

In trade, each is the other's best customer, and in 1978 two-way trade was approximately \$72 billion. Canada sells to the United States about 70% of all exports and buys from the US about 20% of all US exports.

Canada and the Caribbean

20.3.2

Canada has long enjoyed close relations with the countries of the Commonwealth Caribbean. An important new phase began in January 1979 when Canada signed a trade and economic agreement with the countries of the Caribbean Commonwealth market (CARICOM). The agreement was signed in Jamaica by the under-secretary of state for external affairs who also visited Barbados and St. Lucia.

In 1979 Canadian investment in the region was estimated at approximately \$450 million; Canadian imports rose moderately from \$140 million and exports rose to \$283 million. Canadian bilateral assistance to the Caribbean, which is the highest per capita recipient area for Canadian aid, is expected to approximate \$31 million in loans and