
law in the area of foreign investment.

Multinational enterprises were accorded particular attention when the Economic and Social Council's (ECOSOC) "Group of Eminent Persons" submitted in mid-year its report on the impact of multinational corporations on development and on international relations. Its recommendations concerning the treatment by host countries of foreign investment raised many of the issues concerning nationalization, compensation and the right of espousal which had proved so difficult in the declaration and charter negotiations referred to above. The work to be undertaken in the United Nations pursuant to the recommendations of the "Eminent Persons" report might, it was thought, provide an occasion for reconciling the differences remaining on these issues. The UN Commission on International Trade Law (UNCITRAL), as a result of a Canadian initiative in the UN in 1972, had already been charged by the General Assembly with responsibility for studying the legal aspects of the problems encountered by governments in exercising effective control over multinational enterprises. It was expected, therefore, that the preliminary report being prepared by the Secretary-General would enable the Commission to begin its substantive work on this question at an early date.

Nuclear law

The detonation by India in 1974 of a nuclear explosive device raised fundamental questions concerning Canada's nuclear export policy.

Closely related were the questions of Canada's obligations as a party to the Nuclear Non-Proliferation Treaty and its rights and obligations under various bilateral nuclear co-operation agreements. The Department participated extensively in discussions leading to the Government's new nuclear export policy, announced toward the end of the year. This requires

safeguards to ensure that Canadian-supplied nuclear equipment, material and technology are used only for peaceful, non-military purposes and in particular are not used for the development of any nuclear explosive device. The introduction of this policy required a re-examination of certain fundamental concepts involved in safeguards agreements, such as pursuit to all subsequent generations of fissile material and the imposition of safeguards on items produced with Canadian technology. The Department also participated in the negotiation of agreements with present or prospective recipients of Canadian nuclear exports to give effect to this policy.

Outer space law

Canada has been an active participant over the past 15 years in the development of outer space law, an area of law which is becoming increasingly significant as more states become involved in outer space activities.

The legal work has been done primarily under the aegis of the 37-member UN Committee on the Peaceful Uses of Outer Space and its Legal Sub-Committee.

1974 saw the completion and adoption by the 29th session of the UN General Assembly of the Draft Convention on Registration of Objects Launched into Outer Space. This convention, largely the result of a joint proposal made originally in 1972 by Canada and France, marks another significant step in the progressive and orderly development of international law relating to man's activities in outer space. It complements, through the better identification of space objects, the Convention on International Liability for Damage Caused by Space Objects (1972). Canada expected to sign and ratify the registration convention and accede to two other important international agreements, the Agreement on the Rescue of Astronauts, the Return of Astronauts and the Return of Objects Launched into Outer Space (1968)