

Canada was also a participant in the informal "Club of Paris" which, in cases of serious arrears in the servicing of officially-supported credits, has brought creditor and debtor states together to discuss the most effective means of repayment. During 1978, the Club of Paris met with Peru; Canada participated in the meeting.

Canada signed agreements during the year with Malawi and Western Samoa designed to provide a procedural framework for solving problems of foreign-investment insurance. These brought to 24 the number of agreements of this sort between Canada and other countries. By the end of the year, discussions on similar agreements were under way with another 21 states.

#### Industrial co-operation policy towards developing countries

As part of a general review by the Canadian Government of its relations with developing countries, increasing emphasis has been placed on those in the middle and upper income ranges. Since the traditional program of development assistance, with its emphasis on the poorest nations, has had little relevance for many of the higher-income developing countries, a program of industrial co-operation is now being designed to encourage investment in developing countries possessing an established industrial base.

While the new Canadian policy is still being developed by co-ordinating a number of existing programs and creating some new ones both within and outside the "aid" field, small and medium-sized Canadian companies may be encouraged to undertake enterprises in selected developing countries. Such enterprises might take the form of direct investment, a joint venture or some other kind of corporate link. In turn, the growth of Canada's export-oriented industrial sector and, indeed, its export performance would be improved by the stimulation of demand for Canadian plant and technology. Undertakings of this sort would, at the same time, contribute to the development of the industries of "partner" developing countries.

At the multilateral level, the Department has been involved in the negotiation, within the framework of UNCTAD, of an international code of conduct for the transfer of technology. A diplomatic conference on this subject took place in Geneva in November 1978. The Department also continued to follow closely the activities of the United Nations Organization for Industrial Development and, in March 1978, participated in the negotiating conference aimed at its transformation into a Specialized Agency of the United Nations. Finally, the Department has been actively involved in the preparation at the national, regional and international level for the UN Conference on Science and Technology for Development, which is scheduled to take place in Vienna in August 1979.