

Commonwealth technical co-operation

The Commonwealth Fund for Technical Co-operation (CFTC), the most important program managed by the Commonwealth Secretariat, provides technical assistance—advice, experts and training—to Commonwealth developing countries. Its resources—expertise and training facilities as well as money—are contributed by both developed and developing countries, the latter being both donors and recipients.

Canada has been among the strongest supporters of the CFTC since it was set up in 1971, and considers it an effective instrument of development co-operation. We have normally contributed over 40 per cent of the Fund's resources, and Prime Minister Clark announced at the Heads of Government Meeting in Lusaka in August 1979, a contribution of \$8.8 million in 1979-80 and \$10 million in 1980-81.

A Commonwealth Fund for Mozambique was set up in 1976 with a target of \$1 million, to which Canada has contributed \$400,000, to finance a program of technical assistance to that country to compensate for financial sacrifices consequent upon the closing of its border with Rhodesia. Assistance available to Mozambique through the Fund may continue to be required for some time following the independence of Zimbabwe.

Trade

A major objective of the developing countries remains to increase their share of world industrial production and exports, by obtaining improved access to the markets of developed countries and an acceleration of the structural adjustment process on a global basis. In recent years, the developing countries, and particularly the so-called "newly industrializing" among them, have demonstrated an increasingly competitive position in certain sectors of international trade. However, given the recent downturn in global economic activity, they share the general concern about growing protectionist pressures. Moreover, the problems of the least developed countries remain acute, compounded by an accelerated oil import burden.

The conclusion in 1979 of the Multilateral Trade Negotiations (MTN) represented a major achievement in sustaining an open, global trading system. Gains in the developing countries included the advance implementation of non-reciprocal tariff reductions on tropical products. More generally, for those products not already covered by the developed countries' Generalized System of Preferences, the developing countries will benefit from tariff concessions exchanged by the major industrialized trading nations on a Most Favoured Nations basis. Additionally, the various non-tariff agreements concluded during the meeting contain special provisions more favourable to developing countries, and the enabling clause of the MTN framework agreement includes a new obligation to notify and, upon request, consult with any interested GATT Contracting Party wher-

ever special or differential treatment in favour of developing countries is to be introduced or notified.

While the meeting represented a very significant achievement, there remain a number of important North-South trade issues on the international agenda. Prominent among these are the continuing negotiations within the GATT on safeguards issues: ie. the conditions and disciplines within which temporary safeguard action can be taken in the face of injurious import competition. Related to concerns about protectionist pressures is the complex subject of structural adjustment, a major issue in the North-South context and one being addressed in a number of international forums.

Activities of multinational enterprises

Canada is a member of the UN Commission on Transnational Corporations and participated in the work on a code of conduct which continued throughout the year. Developing countries advocate a legally binding code regulating the activities of corporations but without reference to governmental responsibilities. Canada would rather see a code providing a broad framework of balanced expectations and responsibilities for both governments and corporations.

Canada also participated in the UNCTAD Conference on Restrictive Business Practices (RBPs) held in November. The purpose of the Conference was to adopt a set of principles and rules, some addressed to governments, others to enterprises, for the control of such RBPs as price fixing, tied selling, volume restriction, market allocation and refusing to sell. Many developing countries believe that private enterprises have injured their development by raising import prices and limiting opportunities for export. The Conference was inconclusive and a resumed session will be held in April, 1980.

Transfer of technology

The developing countries have been pressing for some time for the adoption of an International Code of Conduct on the Transfer of Technology which would lead to an increased international flow of technology on terms and conditions more favourable to them. Canada's view is that an increased international flow of technology would be to the benefit of all and that a code which would establish acceptable, universal standards of conduct may serve the useful purpose of creating a more predictable, and thus in an important sense more favourable international environment for the transfer of technology. A diplomatic conference on this subject is scheduled to take place in Geneva in April, 1980 and it is expected that a code will be adopted at that time.

Canada also played an active role at the UN Conference on Science and Technology for Development, in August 1979, and the subsequent follow-up meetings designed to strengthen the scientific and technological capacity of developing countries.