

that there should be more bilateral meetings between Canadian and British ministers.

In Toronto, the British Prime Minister was entertained at a state dinner hosted by Prime Minister Trudeau. The next day, she spoke to a capacity audience of 1 700 who were in attendance at a joint luncheon of the Empire and Canadian Clubs.

Mrs. Thatcher also held talks with Ontario Premier William Davis before flying to Edmonton. There, she met with Alberta Premier Peter Lougheed for discussions that touched on world oil pricing and the Canadian economy.

Mrs. Thatcher flew from Edmonton to Washington for a two-day visit that included talks with the United States' President Ronald Reagan.



Prime Minister Margaret Thatcher (left) enters the House of Commons with Prime Minister Pierre Trudeau.

Mr. MacEachen urges changes in structure of UN Security Council

In addressing the thirty-eighth session of the United Nations General Assembly September 27, Deputy Prime Minister and Secretary of State for External Affairs Allan J. MacEachen strongly urged that changes be made in the structure of the Security Council to improve its effectiveness.

Following is an excerpt from Mr. MacEachen's speech:

...The ineffectiveness of the [Security] Council in dealing with the Korean Air Lines incident demonstrates once again the need to find more flexible and creative ways for Council members to address disputes. I would hope that agreement could be reached, among Council members, on the following specific measures:

First, the Secretary-General should make greater use of his authority, under Article 99, to bring current or potential crisis situations to the attention of the Council. To do this, he requires a greater "fact-finding capacity".

Second, the Council should meet informally to avert potential crises by examining incipient disputes during in camera sessions with the Secretary-

General.

Third, the Secretary-General requires additional personnel and resources for the more effective use of his "good offices" in the resolution of disputes.

These are not revolutionary steps. They can be taken on the basis of existing authority and by reallocating resources. But they would be useful and concrete.

They would, Mr. President, facilitate the tangible progress on specific problems that is so urgently required. The Secretary-General has assumed his responsibilities in exemplary fashion. He does not, however, possess supernatural, nor alas supra-national, powers. We, as member governments, must also assume our responsibilities....

Gas at bargain price in Canada

Canada has been able to count on energy at bargain prices for the past decade, unlike some of its industrialized trading partners.

That message emerges loud and clear from a review of energy pricing and taxation trends between 1968 and 1979 in eight industrialized countries — Canada, the United States, Britain, Germany, France, Italy, Sweden and Japan — carried out by economist Bobbi Cain of the Economic Council of Canada, assisted by Pat Nevin.

Comparing energy prices across such a wide range of countries presents certain problems, which Bobbi Cain resolves in the following manner.

First, she chooses for comparison purposes an energy source widely used by all the countries in question, and one for which price and taxation data are available — namely, standard low octane gasoline.

Secondly, she determines the gasoline price for each country in nominal terms — that is, in terms of local currency. Then, to calculate the real or inflation-adjusted gasoline price in each case, she deflates each country's nominal price by its consumer price index.

Finally, to make cross-country comparisons possible, Bobbi Cain converts both nominal and real prices to a common currency, the US dollar.

Real gas prices

The first chart illustrates how the eight countries stack up in terms of real gasoline prices at the beginning and end of the survey period. Bobbi Cain advises some caution in interpreting these results, however, since they reflect exchange rate changes as well as price increases. (For example, even though Italy had the greatest real price increase measured in lira, that currency's devaluation meant little price movement in terms of US dollars.)

But Canada's standing is clearcut, nonetheless; along with the United States, it records the lowest real gasoline price, and the slowest rate of price increase of the entire sample. Nominal prices in the two North American countries were also well below those elsewhere.

Taxation policies

Domestic gasoline taxation in industrialized countries have been the subject of concern recently, says Bobbi Cain.