

New International Economic Order were, in fact, intensified.

One area where attempts at a redefinition of the basic rules were actively pursued in the course of the year was that of transnational corporations. These efforts included work within UNCTAD to elaborate a code of conduct for the transfer of technology. As the result of recommendations contained in the 1974 report of the Economic and Social Council's "Group of Eminent Persons" on multinational enterprises, there was established a UN Commission on Transnational Corporations and a UN Centre on Transnational Corporations, the work of which is expected to deal with a number of the legal issues that arose at the time of the elaboration of the Charter of Economic Rights and Duties of States, including treatment by host countries of foreign investment, nationalization, sovereignty over natural resources and the right of espousal. The Commission's work may include the elaboration of a code of conduct for TNCs. Whether such a code of conduct should be legally binding and should be of universal application are two issues on which a consensus appears unlikely at this stage. Similar work is also in progress within UNCTAD in relation to the elaboration of a code of conduct for the transfer of technology. Here again, the legal nature of such a code is under discussion. Although primarily aimed at governments, this latter code would, in fact, also regulate to a large extent the activities of TNCs.

In the realm of intellectual and industrial property, the developing countries are also promoting, as a necessary part of any readjustment in the broad field of international economic law, either the creation of new instruments that would favour their access to the technology needed to improve their economic conditions or modifications in existing international instruments governing that general field — such as, for example, the Paris and Berne Conventions. UNCTAD is also currently conducting a study on the role of the patent system in the transfer of technology.

Nuclear law

The negotiation and updating of nuclear-safeguards agreements with present and prospective customers for Canadian nuclear equipment, material and technology was a priority task in 1975. These negotiations involved the implementation of the

Government's enhanced safeguards policy, announced at the end of 1974, which goes beyond the requirements imposed upon Canada as a party to the Nuclear Non-Proliferation Treaty (NPT).

The ultimate objective of the policy is, of course, to prevent equipment, material and technology supplied by Canada from being used for the development of a nuclear-explosive capability. Events during 1975 highlighted the key role of enrichment and reprocessing facilities in the development of nuclear explosives. As a result, Canadian safeguards negotiations laid particular emphasis on control over reprocessing and enrichment by prospective recipients, as well as on the safeguarding of equipment or material produced by means of Canadian technology.

There was also a growing concern during 1975 about the possibility of nuclear theft. Reflecting this concern, Canada encouraged development by the International Atomic Energy Agency of recommendations regarding the physical security to be used in the protection of nuclear equipment and in the handling of nuclear material in transit. Canada has included an obligation to comply with these recommendations in its latest safeguards agreements.

In multilateral negotiations to upgrade the level of international safeguards, Canada has participated in discussions to ensure that all nations supplying nuclear material, equipment and technology adhere to a uniform minimum standard of safeguards, and do not make safeguards requirements an element of commercial competition. Considerable progress towards this goal was achieved during 1975. At the same time, Canada has advocated that safeguards be made applicable to all peaceful nuclear activities of recipient states, rather than just to imported material and equipment. This is the regime applicable to non-nuclear-weapons states that are parties to the NPT, and is clearly both the most effective way of applying safeguards and the most efficient way of using the limited safeguards resources of the International Atomic Energy Agency. Although this approach has not yet been accepted by all nuclear suppliers, its desirability as an objective to be striven for is reflected in the Final Declaration of the NPT Review Conference, which took place in 1975. Canadian efforts to secure broader international acceptance of this principle continue. (see page 48)