

of one country's environmental standards on a bordering country poses legal difficulties that have been under bilateral discussion and have also been raised in Paris by the OECD, of which Canada is a member. Canada has stated that the appropriate means for settling transfrontier environmental disputes is the application of the Stockholm Principles on the Environment, which do not embrace the notion of one state's accepting the environmental standards of its neighbour.

At the multilateral level, Canada was successful in using the United Nations Environment Program to play a more active part in the development of the international law of the environment. Since the 1972 Stockholm Conference, the OECD has been the only multilateral organization to develop further the legal principles contained in the Stockholm Principles. There was no consideration of these principles on the global level until UNEP established its working group on environmental law in 1977. The group was given a broad mandate to develop a program of work in the environmental-law field, and has chosen as its first priority area a study on liability and compensation for drilling and mining on the continental shelf. Canada was elected to serve as the first chairman of the group.

An environmental disaster later in 1976 focused public and government attention on the need for stricter international anti-pollution standards in 1977. The spill from the Liberian tanker *Argo Merchant* off New England resulted in President Carter's calling for an international conference to consider measures to improve tanker safety. Canada supported this proposal and, with the United States, will argue for improved tanker-inspection and -certification procedures at the Tanker Safety and Pollution Prevention Conference, to be held in London by the International Maritime Consultative Organization (IMCO) in February 1978.

Canada took an initiative in IMCO during 1977 that should improve the enforcement procedures under the 1954 Convention on the Prevention of Pollution of the Sea by Oil, the only marine-pollution convention now in force. A review of reports sent by Canada to flag states of their ships' violations of the convention revealed that only 30 per cent of the reports were being investigated. In about

50 per cent of the cases, no reply was received from the flag state. At Canada's urging, the tenth IMCO Assembly passed a resolution that requested coastal states to notify the organization as well as the flag state of any violations of the convention. IMCO is to collate and circulate these reports and indicate those flag states that have investigated the reports and those that have not. Canada hoped this policy would encourage delinquent flag states to fulfil their obligations under the convention.

International economic law

The year 1977 was one of major developments for Canada in international economic law, at both the bilateral and the multilateral levels.

At the bilateral level, the most significant development was the negotiation of two agreements between Canada and the U.S.A. The first was a treaty to ensure non-intervention and non-discrimination with respect to existing and future pipelines carrying oil or natural gas to one of the parties across the territory of the other. The second was a treaty on the construction of a pipeline to transport natural gas from Alaska.

At the multilateral level, the Legal Bureau participated in the 1977 activities of the World Intellectual Property Organization working group on the review of the Paris Convention, and in an intergovernmental group of experts drafting a code of conduct for the transfer of technology, to be considered at a UN conference scheduled for the autumn of 1978. The Bureau was also closely involved with the work of the UN Commission on Transnational Corporations, which is responsible for drafting an international code of conduct, as well as with an *ad hoc* working group established by the Economic and Social Council of the United Nations (ECOSOC) to examine illicit payments. The activities of these two groups could result in the adoption of new international instruments in 1978.

Co-operation between Canadian and U.S. anti-combines agencies has been conducted in recent years in accordance with the bilateral Fulton-Rogers and Basford-Mitchell