

countries. At the beginning of this year, the Prime Minister elaborated on this theme:

"More than anything else, we need to change our attitude - to realize that too few of us have been enjoying too much of the world's wealth; to realize that too many countries for too long have not been able to participate adequately in the decisions that affect them.

The changes required to right these imbalances will not deprive the industrialized countries of their very high standard of living or of their influence in world councils; they will, however, eliminate some of the exaggerated differences that now exist, and will place some meaning on our desire to be fair in our dealings with our less well-to-do neighbours".

#### Elements of the "New International Economic Order"

The main features of the "New International Economic Order", and Canadian positions thereon, are summarized below:

##### I. International Agreement on the Regulation of Transnational Corporations (Permanent Sovereignty over Natural Resources and Economic Activity)

It is asserted that trans-national corporations (TNCs) should be required to transfer benefits to the LDC host country on the terms demanded by it; that TNC home countries should not exert pressure to support the interests of TNCs ("economic coercion"); and that, in the event of nationalization, the adequacy of any compensation paid should be exclusively subject to the domestic law of the host country without reference to international obligations or the relevant principles of international law.

(Canadian Position): Canada has been active in the examination of TNC activities internationally, but has been doubtful about the possibility of negotiating an international agreement ("code of conduct") for TNCs that would be useful and effective. With respect to compensation for nationalization, while Canada can accept that resort may be had to host country tribunals, procedures must be in accordance with international obligations.

##### II. Commodity Prices

It is argued that developing countries should receive an assured return for their exports, that preference should be given to LDC suppliers in buying raw materials, and that the