

benefit. Canada indicated its support for regional or functionally-specialized meetings bringing together leaders of developed and developing countries.

Canada continued to take part in regular and ad hoc economic consultations -- in UNCTAD, the OECD, NATO, the International Monetary Fund (IMF), the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA) and regional-development institutions. Fundamental Canadian positions were based on recognition that, in an increasingly interdependent world economy, satisfactory progress on shared economic problems could be achieved only by continued effort to ensure that measures endorsed internationally were sound, realistic and appropriate. The effects of domestic and international actions are transmitted rapidly through the international economic system and it is consequently important that all governments remain aware of the implications of their national policies for others. Canada continued during 1978 its efforts to further this understanding.

Commercial policy

Canadian commercial policy in 1978 sought to balance the long-term objectives of creating a more open international trading system and the short- and medium-term domestic objectives of improving economic efficiency with the minimum disruption to employment.

During the year, the MTN registered substantial progress. Prior to the convening of the Bonn summit in July, the major MTN participants agreed on a framework of understanding, which resolved a number of difficult negotiating and procedural issues. With the impetus provided at Bonn, draft agreements on a number of non-tariff matters were at an advanced stage by the end of the year, and the final intensive phase of negotiations had begun. On the basis of progress to the end of December, there was a good prospect that the MTN would result in the expansion and elaboration of the GATT rules on international trade, which, together with negotiated tariff concessions, would create a fairer and more liberal trading environment for the 1980s and 1990s. The shaping of the post-MTN environment to expand further the opportunities for growth and development of the Canadian economy continues to be a major object of Canadian trade policy. Canada, as a country whose economic welfare depends to a large extent on international trade, has a vital interest in ensuring that international disciplines are sufficient to prevent the widespread recurrence of protectionist policies, which, in the longer term, can only impair the well-being of all countries.

Negotiations during the year on a broad range of agricultural commodities and fisheries were aimed at stabilizing and protecting producer incomes and improving export-market opportunities. In the short term, import restraints were maintained in order to avoid the disruption of domestic markets for products such as beef, cheese, eggs and turkeys arising from international market developments. Longer-term