nited States and, in the GATT and sewhere, voiced particularly strong oposition to the U.S. measures. The EEC, nd others, underlined the impediment eated by the surcharge in arriving at ealistic exchange rates and a readjustment of parities.

The United Nations has been an important forum for the developing couneies. Resolutions have been put forward t the Trade and Development Board of NCTAD, at a meeting of developing ountries, known as the Group of 77, held ı Lima, Peru, and within the General ssembly itself. The "LDCs" called for xemption from the surcharge, restoration f United States foreign aid to its former evel and other steps to prevent further amage to their economies.

Most of the above meetings focused rincipally on trade problems. On the ionetary side, the annual meeting of the nternational Monetary Fund, September 7 to October 1, provided an occasion for he airing of views and identifying probems, even if no important agreements ere reached. The Organization for Economic Co-operation and Development diected the Working Party No. 3 of its conomic Policy Committee to examine nd define the size of the change in the alance of payments required for the Jnited States as well as the implications or other countries.

wing in payments

heir report, submitted October 4, sugested a swing in the over-all U.S. Jnited States claimed a $13 billion swing ı its favour was necessary, while at the eginning of negotiations its trading parters were prepared to offer at most conessions amounting to $3 billion.

It was in the meetings of the Group f Ten that the most significant negotiatıg of a multilateral nature took place. In uccessive meetings, the finance ministers nd central bank governors of the ten ıost industrialized non-Communist states ave focused on the main monetary issues, djusted and defined their respective poitions on balance of payments, and adressed themselves to the vital question f realignment in exchange rates.

The over-all picture was one of the Jnited States and its major trading parters (Canada, the EEC and Japan) conlucting bilateral discussions, chiefly on rade issues, which complemented multiateral discussions on monetary matters. he scenario was elaborate, and at times confusing. But the mood was tense and urgent, for the businessmen of the world cannot long survive great uncertainty. The stakes were very high.

The general agreement on the realignment of currencies was finally reached at the last of the Group of Ten meetings, on December 18 in Washington. The settlement included the devaluation of the U.S. dollar by 8.57 per cent, the revaluation of several other currencies, and the removal of the import surcharge and the discriminatory feature of the job-development tax credit. It was agreed that the Canadian dollar, alone among the major currencies of the world in this respect, would continue to float for the time being.

Determining the full impact will take time

The full impact of the Washington agreement cannot be assessed immediately. The ultimate shape of an overhauled monetary system and new patterns and practices of trade between industrialized countries will not be determined for some time.

There now exist, however, some grounds for optimism. Finance Minister Edgar Benson reported to the House of Commons on December 20 that the Washington monetary settlement "restores an orderly exchange situation on the basis of which world trade and financing can proceed with confidence. This will be of benefit to all countries, not least Canada, having in mind the vital importance of international trade to the Canadian economy".

Many of the immediate anxieties and doubts have been removed, but some basic question do remain in the minds of many. Indeed, perhaps the most important longrun conclusion for Canada arising out of the crisis is the acute sensitivity of the whole Canadian economy to events across the border. The realization of this has underlined the need for a comprehensive review of Canada's place in the new world environment, including the fundamental economic interrelation between Canada and the United States. Prime Minister Trudeau pointed up the central theme of the problem, when, after his December 6 meeting with President Nixon, he referred to "the century-old desire of Canadians to benefit from our North American neighbourhood and to profit from our relations with the United States, while at the same time remaining Canadian to the degree and extent that we choose".

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