

occurred during the early part of the Tokyo Round of Multilateral Trade Negotiations, which was held under the auspices of the General Agreement on Tariffs and Trade (GATT). In these negotiations a strong Canadian delegation of officers from the Departments of External Affairs, Industry, Trade and Commerce, and Finance, was established in Geneva and played an active part.

Canada also took part in the establishment and first meeting of a high-level group called the GATT Consultative Group of 18, comprising nine LDCs, seven developed countries (including Canada), one Mediterranean country and one socialist country. The task of the group is to monitor international trade developments in order to facilitate the carrying-out, by the Contracting Parties to the GATT, of their responsibilities, and in particular to forestall, whenever possible, sudden disturbances within the multilateral trading system and to deal with such disturbances if they occur. The Group of 18 is also co-ordinating developments between the GATT and the International Monetary Fund (IMF) with respect to trade aspects of the international adjustment process.

As a major exporter of wheat, Canada had a principal interest in negotiations in the International Wheat Council towards a new agreement on world trade in grains. Canada supported efforts to include a world reserves scheme as part of a balanced agreement with commercial safeguards, which would lead to improved access to protected markets and provide a solid basis for planning production. However, issues central to the conclusion of a new International Wheat Agreement were being dealt with to a great extent in parallel in the broader context of the MTNs in Geneva, and procedural problems in those talks precluded agreement in 1975.

At the end of July, Prime Minister Trudeau joined other world leaders in Helsinki for the official conclusion of the Final Act of the Conference on Security and Co-operation in Europe. The positive political climate created by this development, as well as the specific economic provisions of the document, should facilitate the development of Canada's economic relations with Europe, including the Eastern European countries.

## International issues

Investment issues received much attention in Canada and throughout the world. The first session of the UN Commission on Transnational Corporations was convened in March, with Canada playing an active role in the consideration of problems resulting from the operations of multinational corporations. Throughout the year, the Organization for Economic Co-operation and Development (OECD) worked on a package of investment issues dealing with guidelines for the good corporate conduct of multinational corporations, national treatment for foreign investors and international consultations on investment incentives and disincentives. Canada participated actively in the discussions on these subjects, which took place in many multilateral organizations.

At home, after some 18 months of experience with the screening of the takeover provisions of the Foreign Investment Review Act, the second part of the act came into force on October 15 to provide for the screening of proposals by non-eligible investors to establish new businesses or to expand into areas of unilateral activity.

Resource-policy issues remained in the limelight during 1975 and, while the memory of the 1972-74 supply problems for commodities was still fresh, new concern developed as prices declined and excess supplies accumulated for many commodities. At home, the mineral policy review continued, as well as the examination of proposals for the further upgrading of Canadian resources before they were exported.

International developments were centred on commodity trade problems, particularly in relation to a "new international economic order" as perceived by developing countries. Canada continued to play an active role in all major international forums that dealt with this issue, such as the UN family of organizations, the OECD, the IMF and meetings of Commonwealth organizations. An important new body, the Conference on International Economic Co-operation, was founded in December 1975 and, with a Canadian co-chairman, it will consider resource-policy questions in 1976 in its Commission on Raw Materials. Much work remains to be done in international resource policy, and in this respect a new atmosphere of co-operation, which is essential for progress, was apparent in 1975,