

At the Ottawa Summit, leaders of the seven largest industrialized nations and the European Community reaffirmed their common objective of revitalizing their economies through a balanced range of policies. In the General Agreement on Tariffs and Trade (GATT), the International Monetary Fund and the Organization for Economic Co-operation and Development (OECD), Canada worked to find solutions to these international trade and monetary problems.

Trade questions

Because of the serious difficulties in the current international economic situation, there has been a continuing need to strengthen trade policy as a means to resist domestic protectionist pressures. Canada therefore supported the 1981 GATT proposal to hold a ministerial meeting in 1982 to deal with trade issues from a broad policy perspective.

In 1981, the second stage of eight annual tariff cuts agreed to in the GATT's Tokyo Round of Multilateral Trade Negotiations (MTN) came into effect. In December, the GATT Textiles Committee agreed to extend its Arrangements regarding international trade in textiles. This agreement, generally known as the Multi-fibre arrangement, makes provision for the orderly marketing of some 80 per cent of world trade in textiles and clothing, worth approximately \$80 billion.

On the national level, the Canadian Tariff Board tabled a report on the draft legislation which would implement the MTN customs valuation agreement. The government has responded and the Board can now proceed with an enquiry into how the revised legislation will affect the levels of tariff protection.

The economic importance of trade in services is now widely recognized and in 1981, an interdepartmental task force on trade in services was formed. The task force is to identify volumes of Canadian exports and imports in services and assess barriers to the free movement of these services. There are indications that the services issue will be part of the GATT work program for the 1980s.

The UN Conference on Trade and Development continued to try and solve the problems of international trade in commodities and strengthen the open trading system which is in the interest of all. Canada took part in the negotiation of the Sixth international tin agreement and ratified the 1979 International rubber agreement, the first agreement between producers and consumers with economic provisions to deal with trade in natural rubber.

Energy questions

Relative stability returned to the oil market in 1981 but the continuing threat of instability as well as the expected long-term rising costs and demand meant that energy remained an international and domestic issue. Canada and its economic partners continued their co-operation to