

and the Canadian instrument of ratification was deposited on June 10. The Agreement came into force on July 1, replacing the International Grains Agreement, which expired the previous day. The new Agreement will remain in force until June 30, 1974.

The Wheat Agreement consists of a Wheat Trade Convention and a Food Aid Convention. The former is designed to promote further international co-operation in connection with wheat problems, to promote the expansion of trade in wheat and wheat flour, and to contribute to stability in the wheat market. The Convention also provides a framework for international negotiations relating to provisions for the price of wheat under certain circumstances. Canada has stated its support in the International Wheat Council for the opening of discussions on wheat-pricing provisions.

The Food Aid Convention provides for an orderly and effective food-aid program for developing countries. Signatories to the Convention have agreed to contribute food aid to the developing countries in the form of wheat, coarse grains, or edible derivatives, or the cash equivalent, at least up to a specified annual minimum. Canada's annual commitment is 495,000 metric tons.

In the crop year closing at the end of July 1971, exports of Canadian grain reached record levels. During 1971, large sales were made by the Canadian Wheat Board to the U.S.S.R. and China. The Soviet purchase of 3.5 million tons of wheat for delivery in 1971 and 1972 completed, and exceeded, the U.S.S.R. purchase commitment made in 1966. China purchased 3 million tons of wheat for delivery in 1972. Although most major wheat-producing countries have increased supplies available as a result of good crops, forward sales of Canadian grains indicate that the high level of grain exports will be maintained through the current crop year, and may well surpass the record reached last year.

The year 1971 witnessed a significantly increased penetration of the Canadian domestic market by foreign imports. In some cases this led to disruption within certain sectors of the manufacturing industry. As a result, the Anti-Dumping Tribunal, as well as the Textile and Clothing Board, carried out a number of inquiries to examine possible cases of dumping or injury.

Voluntary restraint arrangements covering exports of cotton yarn to Canada were concluded in 1971 with 13 supplier nations (the United Arab Republic, Brazil, the People's Republic of China, Colombia, Greece, Hong Kong, India, Israel, the Republic of Korea, Mexico, Portugal, Spain and Taiwan). A global quota for the import of certain kinds of men's and boys' shirts was implemented in 1971. Under the quota arrangements, traditional supplier nations were given reserved quotas in order to take account of previous levels of exports to Canada. Provision was also made for new supplier nations. Other bilateral restraint arrangements with individual countries affecting specific export items were also agreed upon or renewed during the year.

The new Canadian tax-reform legislation passed by Parliament on December 21, 1971, will give rise to a series of negotiations and renegotiations of double-taxation agreements, beginning in 1972.