

Ontario, in July 1985 and one at San Diego, California, in January 1986. On these occasions, ministers of trade from the United States, the European Community, Japan and Canada reviewed developments in the international trading system and discussed preparations for a new round of multilateral trade negotiations.

International commodity developments

Canada continued to participate in the main international commodity agreements (wheat, sugar, coffee, tin, natural rubber). The only one for which Canada is an exporting country, the International Wheat Agreement, consists of a consultative mechanism without economic provisions. The agreements on coffee and natural rubber contain provisions aimed at price stabilization. The International Sugar Agreement, which came into effect on January 1, 1985, is limited to a consultative framework due to failure to reach agreement on pricing and other provisions to stabilize the market. Canada remained outside the current Cocoa Agreement as the economic provisions were judged to be unworkable: this assessment has proved accurate. However, Canada is participating in attempts to renegotiate the present Cocoa Agreement. The agreement covering natural rubber succeeded in stabilizing prices within the prescribed range and is currently in the process of being renegotiated. The agreement related to tin, after facing severe difficulties as a result of persistent downward pressure on the floor price, ceased defending the floor price in October 1985. Considerable effort was expended in an attempt to resolve the difficulties resulting from this development and to protect Canadian interests in this matter.

Canada is also a member of the International Jute Agreement, which does not contain any price stabilization provisions, but attempts to increase research and development and promote market development for the commodity.

An independent group of experts was established by the United Nations Conference on Trade and Development (UNCTAD) to examine the need for and possible scope of an international fund for the compensatory financing of shortfalls in export earnings from commodities by developing countries. Due to the direction this study has taken, Canada joined the United States in announcing that it was reserving its position regarding the need for further study in this area. The issue of compensatory financing continues to be examined by both OECD and UNCTAD, and Canada is monitoring developments in both forums.

During the year, the first discussions were held at the International Labour Organization (ILO) concerning a Convention and Recommendation on safety in the use of asbestos, during which Canada promoted a controlled use rather than a banning approach. In addition, efforts continued to promote increased transparency of markets for resource products through co-operation of producing and consuming countries in international forums such as the International Lead Zinc Study Group, OECD, UNCTAD and the UN Economic Commission for Europe (ECE). Canada's initiative to establish an International Nickel Study Group (INSG) culminated in the convening of a negotiating conference. The establishment of the International Tropical Timber Organization (ITTO) was also achieved.

Other developments

Discussions with the Japanese government led to the renewal by Japan for a fifth year of its undertakings regarding restraint of motor vehicle exports to Canada.

International trade development

Agriculture, fish and food

The Agriculture, Fish and Food Products Bureau continued to be the focal point for the federal government's international trade activities in all food products except grains and oilseeds. On the market development side, the Bureau was extremely active through sponsorship of fairs and missions under the Promotional Projects Program (PPP) as well as the specialized food and fish components of the Program for Export Market Development (PEMD).

The Bureau played an active role in consultations with industry associations regarding the National Trade Strategy, consultations with other government departments and provincial governments on post plans, amendments to several Acts regulating agricultural products and consultations on the importation of beef from the European Community. The Bureau also provided input on the countervail issue, specifically on fish and live hog as well as pork exports to the United States; to GATT on agricultural issues; and to OECD work on fish, dairy products and beef. It also was involved in the preparation of analytical papers on world market profiles for pork.

The Bureau also engaged in preparations for the Department's participation in Food Pacific 86, the creation of a computerized client data base of Canadian exporters and potential exporters of agri-food and fish products and the development of a "Buyer Connection program" for testing in the United States. In addition, the Bureau sponsored its annual meeting with Department of Regional Industrial Expansion (DRIE) regional officers and provincial government trade officials. Country profiles on the Japanese and US markets were also undertaken.

The Bureau assisted Canadian companies in breaking into new markets. Successes include sales of breeding swine to Korea, canned capelin to the Far East, freshwater fish to Africa, goats to Brazil, beer to Japan, apples to the People's Republic of China, breeding foxes to Poland and bracken ferns to Japan. The Bureau also aided other departments in ensuring that new programs were designed with potential exports in mind, in areas such as pesticide regulation, seed certification, international use of antibiotics, and industry overviews.

The Department, through the Bureau, sponsored Canadian participation at the Royal Agricultural Show in Kenilworth, England, the Royal Highland Show in Scotland, an agribusiness fair in Hungary (OMEK), the All-Japan Holstein Show, Ag China, the Royal Melbourne and Perth shows in Australia and the *Salon International de l'Agriculture* in Paris, all of which featured Canadian livestock genetics. Promotional brochures for dairy and beef cattle were updated, new promotional material for the US market was produced by the British Columbia Blueberry Co-operative with assistance from PEMD and the Bureau produced a pulse crop display kit for distribution to posts overseas as well as the Canadian trade.

The Canadian nursery trades industry is becoming more active in the export market and participated in several horticultural trade shows in the United States with assistance