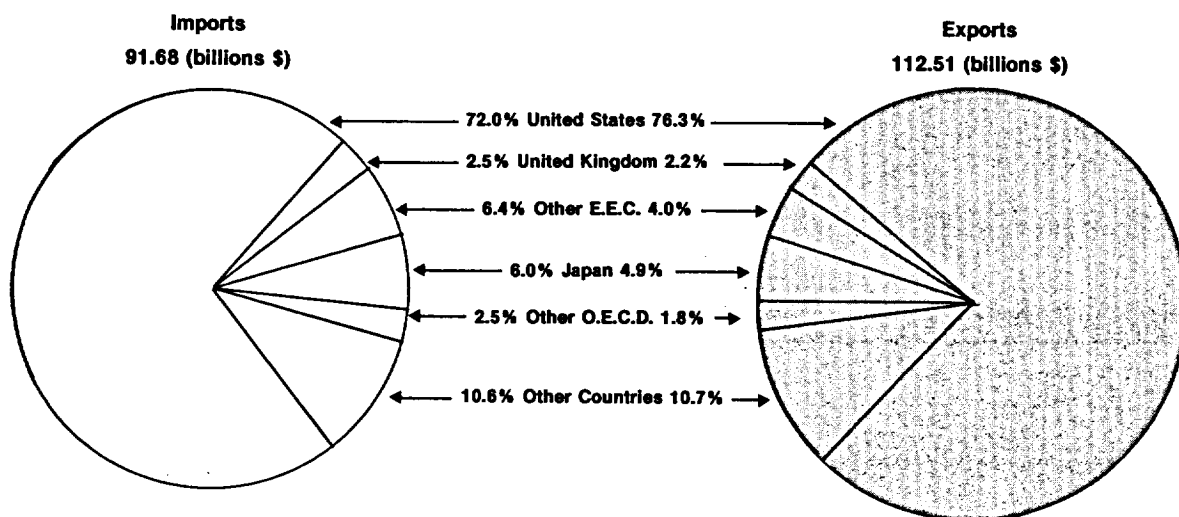


**Imports and Exports by Country Groupings, 1984**  
(Balance of Payments Basis)



Note: Figures may not correspond exactly with other figures used in this report

**Developments in trade policy**

In January 1985, the Minister for International Trade released a discussion paper entitled *How to Secure and Enhance Canadian Access to Export Markets*. The paper was divided into three parts. Part I discussed the importance of trade to Canada's economic growth and the international trade environment in terms of market opportunities and challenges facing Canadian exporters. Part II considered the implications of a new round of multilateral trade negotiations, with a view to establishing Canadian objectives and priorities for such negotiations. Finally, Part III addressed possible bilateral approaches with the US, reflecting the importance of that market and the associated vulnerability of Canadian exports to protectionist threats.

During 1984-85, progress was made in the implementation of the GATT work program agreed upon at the 1982 GATT ministerial meeting, chaired by Canada. The aim of the program is to help countries resist protectionist pressures and to recommend possible solutions to a number of trade problems. Work was particularly active in the areas of trade in agriculture, in services and in resource products, including their semi- and fully-processed forms, as well as in the development of an international agreement on safeguard measures. Negotiations to improve and expand the scope of the GATT Agreement on Government Procurement continued during the year, and the extension of the product coverage of the GATT Agreement on Trade in Civil Aircraft to 32 additional groups of products came into effect on January 1, 1985.

Canada was involved in several GATT cases during the year. Following the European Community (EC) action in January 1984 to reduce unilaterally its 1.5 million tonne duty-free quota for newsprint to 0.5 million tonnes, Canada requested the establishment of a GATT panel to examine the issue. The panel found that the EC had acted in a manner inconsistent with GATT, and its report was adopted on October 17, 1984. After renewed negotiations with the EC, a mutually satisfactory settlement was reached, providing for continued Canadian duty-free newsprint exports to the EC. A GATT panel is also being established, at the request of the EC, to examine alleged discriminatory pricing practices by Canadian provincial liquor boards. Work on selecting panelists and defining terms of reference is continuing. On October 26, 1984, the South African government, after consultations with Canada, requested the establishment of a GATT panel to examine the Ontario government practice of applying a tax on the sale of imported gold coins. The panel's deliberations are continuing.

Canadian participation in the OECD was active during the year. At their meeting in May, OECD ministers recognized that a new round of multilateral trade negotiations would be of utmost importance to a strengthening of the liberal trade system and the growth of trade opportunities.

The Trade Committee discussed the importance of increasing trade possibilities for developing countries, East-West trade issues, measures aimed at strengthened transparency and discipline in the field of tied aid credits and associated financing