fast-expanding industries which produce and use information, computers and communications.

Science and technology relations

In keeping with previous decisions encouraging the more vigorous use of carefully chosen international collaboration in science and technology to enhance economic development goals, Canada found itself initiating and responding to foreign initiatives in a broad range of sectors with many countries. Early in 1986 discussions were concluded for a formal Science and Technology Co-operation Agreement with Japan after some 10 years of increasingly active and productive collaboration between our two countries. Science and technology relations with China and Korea developed more vigorously. The Head of the Chinese State Science and Technology Commission paid a visit to Canada. Active collaboration on science and technology continued with the United Kingdom, France and West Germany (one of Canada's largest and most successful collaborative undertakings). Exploration of co-operative activities with several other countries continued, notably with Norway, which shares many common characteristics with Canada, especially in areas related to forestry, fishing, and Arctic (cold region) research. Collaboration with the United States is, as might be expected, extensive and mostly without formal government relationships. One notable project is the Ocean Drilling Program where Canada and other countries are working in partnership with the United States in a multinational research project.

All of these relationships recognize the increasingly international nature of science and technology; even for the wealthiest of countries, international collaboration is essential to the continued healthy development of scientific knowledge and technological capabilities.

Science and technology policy

To close the circle, it will be obvious that the economic importance of science and technology and its international nature lead naturally to a variety of policy issues, both domestic with international ramifications and international with domestic impacts. These range from trade-related issues that can affect technology flows, through intellectual property issues, to the development of a domestic science and technology strategy. During 1985-86, the Department worked closely with the Ministry of State for Science and Technology (MOSST) in putting the development of an S&T strategy in its international context, and began to look at the technology-related aspects of trade policy. Canada was active in many UN bodies dealing with various aspects of science and technology, both in defending Canadian economic interests and promoting the more effective application of science and technology to help solve development problems in developing countries. In the OECD, the Committee on Science and Technology Policy continued to be active on many fronts. Of particular note was their work on safety and regulation in biotechnology.

All of these activities are but highlights in the increasingly important area of technology and science activities which the Department undertakes with the primary goal of enhancing Canadian competitiveness in international markets.

Investment development

The Department, under its international marketing mandate, has lead responsibility for promoting investment in Canada from abroad. Through its Investment Development Division, it has worked closely with Investment Canada, the Department of Regional Industrial Expansion (DRIE), Employment and Immigration Canada (EIC) and other government departments to develop and carry out a major investment development program at its posts. The program has also required significant consultations with provincial governments and the private sector.

In 1985-86 the investment development program abroad involved an extensive international advertising campaign. The campaign was targeted at prestige business magazines in the United States, Europe and Asia around the themes of the improved Canadian investment climate, the services of Investment Canada and its federal partners, as well as Canada's comparative advantages in energy, technology, transportation and communications. In addition, more than 170 promotional activities were conducted at some 45 posts abroad including ministerial missions, seminars, direct mail campaigns as well as the counselling of prospective business immigrants. The Department is also responsible for carrying out the government's decision to hire six investment advisers from the private sector and place them in key posts abroad to assist in promoting foreign investment in Canada. Advisers have been placed in London, Bonn, Tokyo and Paris. Selections for Los Angeles and New York are imminent.

It is worth noting that the 1986-87 investment development program will be far more sectorally targeted in its promotional activities abroad than in 1985-86. Co-operative efforts between the Department and DRIE have been particularly successful in ensuring this sectoral focus.

Nuclear questions

The past year was a particularly intense one for Canada's nuclear relations. Canada contributed substantially to the Third Review Conference on the Treaty on the Non-proliferation of Nuclear Weapons which concluded successfully with an endorsement of the Treaty and its objectives. Multilaterally, Canada continued to participate fully in the activities of the International Atomic Energy Agency and of the OECD Nuclear Energy Agency, in addition to preparing for the UN Conference on the Peaceful Uses of Nuclear Energy which is to take place in early 1987.

On a bilateral basis, Canada concluded an additional amendment to its nuclear co-operation agreement with the European Atomic Energy Community (Euratom), brought an agreement with Turkey to the final stage of ratification, negotiated an agreement with Colombia, and initiated negotiations with China. Nuclear relationships with Canada's nuclear partners were strengthened: full consultations took place with Australia, the United States, Korea, the United Kingdom, France, and Euratom. Steps were taken to extend the pragmatic application of Canada's nuclear policy by pursuing discussions on the generic implementation of Canada's prior consent right over nuclear transfers. Guidelines for the application, as appropriate, of Canada's non-proliferation policy to tritium exports were developed and made public.

As one of the departments represented on the Uranium Export Review Panel, the Department participated fully in the review of export contracts and in the development and