

a number of federal and provincial agencies, and has devoted more time over the past year to working with municipal economic development agencies — both for participation in program initiatives and for support in servicing investment inquiries.

### **International Shipping**

The Department continued its work in the Maritime Transport Committee of the OECD to ensure Canada's international trade interests are represented in discussions on international shipping policy. As world seaborne trade increased during 1988, profitability returned to much of the shipping industry and rates increased, particularly in the bulk markets. Discussions focused on developments in member countries' shipping policies, the implementation of the OECD principles of shipping policy, and the prospects for entry into force of the UN Convention on the Carriage of Goods by Sea (Hamburg Rules). Activity in this sector focused on increasing liberalization within the OECD, and opposing protectionist trends elsewhere. In this regard several Canadian shippers have noted sales losses arising from protectionist shipping policies in certain trades, and the Department, through its missions abroad, has intervened where necessary to resolve such difficulties. Within UNCTAD the Department participated in the Diplomatic Review Conference of the UN Code of Conduct for Liner Conferences, which because of procedural difficulties did not complete its work.

With the collaboration of specific provinces and industry, the Department has initiated a number of research projects in the field of transportation as a prerequisite to expanding commercial linkages with the Caribbean, Greenland and Iceland. Assistance was given a number of small manufacturers who have encountered problems in distributing their product to foreign markets.

### **International aviation**

In international civil aviation, *ad referendum* agreements were reached with Saudi Arabia, Republic of Korea, the Netherlands, Jordan, Australia, Argentina, Finland, Trinidad and Tobago, Japan, Thailand, Norway, Sweden and Denmark, and similar agreements with Spain and Australia were formally signed and brought into force. Negotiations were also held with France, India, Austria and Brazil, and consultations continued with the United States regarding the implementation of existing agreements with a view towards preserving the basis for international services in passengers, cargo and mail by Canadian air carriers.

Enhancing international aviation security and combatting terrorism is a policy priority for Canada. To this end, Canada has negotiated strong security provisions for inclusion in all new bilateral air agreements. Canada has also played an important role as host country of the International Civil Aviation Organization in the improvement of multilateral aviation security provisions and practices.