
TRADE POLICY AND TRADE DEVELOPMENT

Trade policy enhanced the competitiveness of Canadian industries, their technological adaptation and their access to foreign markets.

Important decisions at meetings of the General Agreement on Tariffs and Trade (GATT) during the course of the year included the accession of El Salvador and Guatemala to the GATT and the admission of the U.S.S.R. as an observer. Canada's interests were advanced on free trade, trade-related environmental concerns, and the issue of the access of Canadian wheat to the European Community.

The Canada-U.S. Free Trade Agreement (FTA) is contributing effectively to the \$200 billion in two-way trade between Canada and the United States. A third round of tariff reductions took place in January 1991, improving Canada's position in relation to the world's largest market. The proposed North American Free Trade Agreement with Mexico and the United States will aim to build on those achievements. Mexico is Canada's largest trading partner in Latin America and the Caribbean, with Canadian exports totalling almost \$600 million.

The Department operates a number of programs to help Canadian producers and manufacturers be more competitive internationally, and to attract investment to Canada. Recipients of the Technology

Inflow Program reported sales of \$156 million and the creation of 1 550 jobs. Such programs as the Investment Development Program, Going Global and the Program for Export Market Development (PEMD) encouraged investment in Canada and the sale of goods abroad. PEMD has both government-initiated and industry-initiated components. Sales as a result of industry-initiated marketing activities have reached \$600 million.

International Trade Centres across Canada provide a link to the Department's services in Ottawa and abroad.

The Department has continued efforts to develop new markets and marketing strategies for all areas of agriculture and food supplies, fish and consumer products. It has investigated ways to link companies producing similar or complementary products and present them to the international marketplace, combining promotional efforts to strengthen sales. In 1990, the Department sponsored Canadian participants in 55 Western European trade fairs including 18 national stands.

During the fiscal year, Canada recorded a growth in Canadian exports and the trade balance showed a surplus of \$12.4 billion, an increase of \$8.9 billion over 1989.

SECTORAL ACTIVITIES

THE ENVIRONMENT

A Special Advisor to the Secretary of State for External Affairs was appointed in the fall of 1990 to deal specifically with environmental issues. Preparatory meetings for the United Nations Conference on Environment and Development (UNCED) have already taken place. Canada's concerns include forestry, biodiversity and climate change.

Canada hosted the April 1990 meeting of the Arctic Environmental Protection Initiative of the eight circumpolar nations where an Arctic Environment Protection strategy was drafted. EC overfishing of Canadian waters continued despite Northwest Atlantic Fisheries Organization opposition.

Concern for the environment covers all issues from recycling efforts at headquarters to analysis of the ozone layer.

LAW

Negotiations continued on Canada-France maritime issues, primarily the dispute over fishing rights in the waters surrounding the islands of St. Pierre and Miquelon.

New legislation allowed Canada to ratify the 1977 protocols of the Geneva Convention on the wartime treatment of prisoners and the sick and wounded.

The Department also dealt with issues such as protection for intellectual property, precursor chemicals, money-laundering, science and technology agreements, chemical weapons and nuclear accidents.

DEFENCE

Arms control and disarmament were major issues on the international stage, the situation in the Middle East making it even more important to identify weapons of mass destruction and halt their