

Since the time of our joining COCOM in the early 1950s, Canada has followed a mutually agreed on policy of embargoing the export of all military goods to destinations proscribed by COCOM in the interests of collective Western security. However, other sensitive goods, broadly defined as commercial goods with possible military applications, may be exported to a civilian consignee in those countries if it is determined that there is no strategic risk involved. This decision is taken either by the entire COCOM Committee or by the COCOM member government concerned. In those cases submitted to COCOM for review, the unanimous approval of all COCOM members must be given before the export may be approved by the government of Canada.

Canadian legislation similarly provides for strict control over the export of technical data in material form if such data relate to goods controlled under the Export Control List. Specifically, all technical data which can be used in the design, production, operation or testing of equipment and materials controlled under the ECL require export permits. The only exceptions are if the technical information is available to the public in published books or periodicals. These controls, however, do not normally extend to patent applications. Usually, the information contained in a patent application is not of a kind which the Governor in Council would deem it necessary to control for the purposes of the Export and Import Permits Act. Any security requirements that may arise in respect of such applications are specifically addressed by Section 20 of the Patents Act.

Canada-United States trade

I would now like to return to the bilateral environment. As I suggested, our international competitiveness and economic well-being is in large part dependent on our maintaining and improving our access to US markets. Canada is the only major industrialized nation in the world that does not have tariff-free access to a market of at least 100 million people. The critical importance of our major trading partner is therefore likely to continue for the foreseeable future. In recent months, there has been considerable interest in the terms of Canada-USA trade relations and the options available to enhance this trade.

Particularly in the business community, the question being posed with increasing frequency is whether Canada should be seeking to secure and enhance our access to US markets through special bilateral arrangements of one kind or another.

One possibility is a sectoral approach. Indeed, a sectoral initiative was launched, last year, with four sectors coming under review: steel, urban transit equipment, agricultural input and equipment, and computer services, or "informatics". Most of the discussions on these sectors have focused on actual and potential barriers to trade in goods, although many of the goods have a high technology component. However, "pure" technology questions, not governed by existing trade rules addressing trade in goods, are more clearly presented in the field of informatics. Both Canada and the USA recognized that the field of informatics is accordingly more complex. Both are currently exploring the subject of trade in this sector with their respective private sectors, and in the case of Canada, with the provincial governments.

Another approach to enhancing trade relations with the USA is that of a broader free trade agreement. A treaty based on this approach would be consistent with the GATT, so long as it would encompass