

inconsistent with the GATT. The report was formally adopted at the GATT Council meeting on March 22, 1988. The Minister for International Trade announced that the Canadian government intended to act by January 1, 1989, to remove the regulations. At that time, the government will put in place a GATT-consistent landing requirement covering Pacific salmon and herring in order to address specific fishery conservation, management, inspection and quality control concerns.

Enlargement of the European Community

Subsequent to the entry of Spain and Portugal into the European Community, Canada and other trading partners have been engaged in negotiations on compensation for the resulting impairment of market access to the EC. Five rounds of negotiations between Canada and the EC have been held since November 1986. No formal negotiating sessions have been held since the summer of 1987 when a deadlock developed over the issue of whether Portugal had granted a tariff concession in 1961 to Canada on wet salt cod. The Director-General of the GATT has agreed to referee the dispute. It is expected that negotiations between Canada and the EC will be concluded by the autumn of 1988.

U.S. customs user fees

In October 1986 the United States imposed an *ad valorem* fee on most imports. Canada and the European Community contested this fee and after consultation with the U.S., requested formation of a GATT panel. The panel ruled that the fee, as structured, violated the U.S.'s GATT obligations because it charged for services not related to imports and the fees charged were too high. The U.S. was asked to change the fee. Canada would be completely exempt from the U.S. customs user fee within five years under the Free Trade Agreement.

U.S. Superfund legislation

At the request of Canada, Mexico and the European Community, a GATT panel investigated the U.S. Superfund legislation. In June 1987, the panel found that the U.S.'s discriminatory tax on imported oil was inconsistent with its obligations under GATT, and the U.S. was asked to remove the discriminatory aspects of the tax.

Japanese tariff on SPF lumber

Japan imposed an 8 per cent tariff on Spruce-Pine-Fir (SPF) dimension lumber while allowing dimension lumber from other species of wood to enter duty-free. The tariff restricts Canadian access to a rapidly expanding market that was originally developed by Canadian industry. After consultations with Japan, Canada requested a GATT panel to examine its complaint that the discriminatory tariff treatment is illegal under international rules. Japan agreed to the formation of the panel at the March 1988 GATT Council meeting.

International trade development

Agriculture, fish and food

The Agriculture, Fish and Food Products Bureau provides leadership for the government's international trade activities for all primary agriculture, fish and food products except

grains and oilseeds. It was responsible for the development of international fisheries relations policies and of Canadian positions in a number of multilateral fisheries organizations. It was involved in numerous export market development projects, ranging from promotion of Canadian food products in Florida supermarkets to the organization of agricultural and food buyers missions from Greenland.

A market development strategy report entitled *The Agri-food Market in China: How Can We Improve Canada's Export Performance* was completed and was the subject of consultations with provinces and the private sector. Similar market development strategies for Mexico and South Korea are due for completion next year. The "Buyer Connection Program," implemented in 1987 to obtain greater acceptance of Canadian agri-food and fish products in the American market, was retained to capitalize upon marketing opportunities that would become available to exporters under the Free Trade Agreement with the United States.

A meeting was organized in January of provincial representatives and DRIE regional officers engaged in export market development for the agri-food and fish sector. These annual meetings are designed to improve co-ordination among provincial and federal departments concerned with agri-food export development. Officers from Agriculture Canada and Fisheries and Oceans Canada participate.

The Department of External Affairs and Agriculture Canada began identifying technical impediments to trade which could be met by Export Expansion Fund initiatives and could enhance the Fund's planning process. Under the auspices of the interdepartmental Committee for International Trade Development and the federal-provincial Market Development Council, a computerized inventory was begun for all federal and provincial agri-food market development activities, market research and promotional material. The Bureau is responsible for managing Canada's agri-food reporting and market intelligence program, under which 149 scheduled reports are required from Canadian missions abroad. In addition to External Affairs these go to government departments and agencies and private sector trade and industry associations.

In the processed food sector, programs were designed to identify opportunities in export markets, promote sales through trade fairs, monitor trade flows and otherwise assist Canadian companies to export.

The Bureau participated in four international trade shows: ANUGA in Cologne, MEFEX in Bahrain, FOODEX in Tokyo and the Food and Equipment Trade Exposition in San Juan, Puerto Rico. Seven "solo" food shows were organized in Albany, Boston, Buffalo, Chicago, Cleveland, Minneapolis and Seattle as well as a special Philadelphia wine and cheese fair. It also participated in three regional trade shows: the Mid-west Hospitality Fair, and the California and Arizona grocers associations' trade fairs.

New initiatives included a consumer promotion with a major Florida supermarket chain which featured Canadian products in its 135 stores. A wine tasting was organized for selecting Canadian wines to be served at official functions in Canada and at missions abroad. Assessment was made of export opportunities in Australia and New Zealand and a