
ECONOMIC LAW

The Economic Law Section of the Legal Affairs Bureau has been actively involved in the Uruguay Round of Multilateral Trade Negotiations, particularly in the negotiation of a General Agreement on Trade in Services, as well as in developing new disciplines on Trade-Related Investment Measures (TRIMs). The Section has also been preparing for Canada's first review under the Organization for Economic Cooperation and Development (OECD) Code of Liberalization of Capital Movements and in the negotiations on the proposed OECD National Treatment Instrument.

The Section pursued efforts to develop international economic law applicable to such diverse subjects as anti-dumping, international investment, securities, precursor chemicals, intellectual property, money laundering, science and technology agreements, proliferation of chemical weapons, liability for damage caused by nuclear accidents, peaceful use of nuclear energy, and Europe 1992.

The Section initiated a variety of diplomatic measures to ensure that the extraterritorial application of foreign law in areas such as export control, workplace drug testing and banking did not interfere with lawful activities in Canada. In particular, the Section was involved in the October 1990 issuance of the first blocking order under the Foreign Extraterritorial Measures Act to prevent the compliance by Canadians with the U.S. "Mack Amendment"

which attempted to prohibit trade with Cuba by U.S.-owned Canadian companies. It was also engaged in drafting the legislation necessary to implement the 1988 Space Station Agreement.

The Section interpreted the comprehensive set of mandatory sanctions against Iraq called for by the United Nations Security Council resolutions following Iraq's invasion of Kuwait in August. It also coordinated the drafting and implementation of the United Nations Iraq Regulations made on August 7, 1990.

The Section played an important role for the Department in protecting Canadian investments abroad through foreign investment protection agreements. Negotiations have begun on such agreements with a number of countries in Southeast Asia and South America. During the year, a foreign investment protection agreement was concluded with the Czech and Slovak Federal Republic; and the agreement with Poland became the first to enter into force.

The Foreign Claims Program of the Section increased considerably when several Eastern European countries established policies for restitution or compensation for confiscations of property made after the Second World War. The Section also made relevant information available to potential Canadian claimants in order to assist them in pursuing any personal claims.