

International trade ministers' meetings

Canada's Minister for International Trade attended in Mie, Japan, a Quadrilateral Trade Ministers' Meeting in April 1987. The discussions, which involved ministers of trade from the United States, Japan, the European Community and Canada centred on the Multilateral Trade Negotiations taking place in Geneva. Bilateral trade disputes of broad interest to ministers of other countries were also discussed.

Canada also took part in informal meetings of trade ministers from a broad range of developed and developing countries. The meetings, held in Indonesia in January 1988, and in the Federal Republic of Germany in March, were designed to develop a consensus in favour of promoting rapid progress in the Geneva MTN.

International Trade Advisory Committee System

The purpose of the International Trade Advisory Committee System is to provide a continuing, confidential, two-way flow of information and advice between the Canadian government and private sector on international trade matters. This permanent advisory committee system, which reports directly to the Minister for International Trade, seeks to ensure that the government has the benefit of private sector views in its deliberations on international trade access and marketing issues, both bilateral and multilateral. The advisory committee system has two components: the International Trade Advisory Committee (ITAC) and the Sectoral Advisory Groups on International Trade (SAGITs).

The ITAC has broad terms of reference on all international trade matters including issues relating to trade policy, market access and trade development. ITAC membership is broadly representative and embraces regional, sectoral and demographic interests. The ITAC comprises approximately 40 members from the business, labour, consumer, cultural, and research and academic communities.

The SAGITs interact with the government to ensure that sectoral views are fully taken into account on international trade matters. Their membership reflects regional, subsectoral and demographic interests, as does the ITAC. SAGITs typically have between 15 to 20 members, most at the president and chief executive officer level. The SAGITs that existed to advise the government during the Canada-U.S. trade negotiations were as follows: Agriculture; Food and Beverage; Fish and Fish Products; Minerals and Metals; Energy Products and Services; Chemicals and Petrochemicals; Forest Products; Industrial; Marine and Rail Equipment; Automotive and Aerospace; Textiles; Footwear and Leather; Apparel and Fur; Consumer and Household Products; Communications; Computer Equipment and Services; Financial Services; General Services; Arts and Cultural Industries.

The International Trade Advisory System is assisted by a small secretariat within the Department of External Affairs and, as required, other government officials are at its disposal to provide information and briefing deemed necessary by the Committee or Groups. In particular, officials of the Trade Negotiations Office were actively involved in the work of the ITAC and the SAGITs.

The ITAC met quarterly and approached its discussions on the Canada-U.S. free trade negotiations by establishing a

number of task forces which met outside the main committee structure, but were composed of committee members. The task forces were assigned particular trade issues and produced reports containing specific recommendations for the review of the full ITAC. After consideration and approval by the ITAC, the reports were then formally submitted to the Minister for International Trade, who attended all ITAC meetings.

The SAGITs met every six weeks on average. The Minister for International Trade and other cabinet ministers participated in many of the meetings. Most SAGITs submitted formal reports to the Minister for International Trade.

During the year, the secretariat organized three meetings of the ITAC and 72 meetings of the SAGITs, numerous meetings of ITAC or SAGITs task forces, and also key briefing sessions for ITAC/SAGIT members — one on October 5, following the conclusion of the formal negotiations, and the other on December 11 when the final text of the Canada-U.S. free trade agreement was unveiled.

Industrial trade policy

Principal Canadian manufacturing industries such as automobile and steel production continued in 1987 to face trade-related pressures in domestic and foreign markets despite strong domestic demand in the latter part of the year. While these difficulties varied among industrial sectors, they stemmed largely from continuing oversupply in world markets and underlying requirements for further restructuring of production facilities to meet evolving demand conditions. A judicious mix of policy initiatives was therefore needed to resist pressures to limit market access for Canadian exports and facilitate longer-term industrial restructuring.

In the automobile trade, the informal understandings with Japan and Korea under which those countries restrained automobile exports to Canada were not renewed in 1987. However, automobile makers in those countries were asked to continue to exercise prudence in their exports in order to avoid disruption in the Canadian market. Automobile trade policy was more broadly reviewed in relation to bilateral negotiations which resulted in entrenchment of the Auto Pact in the Canada-U.S. Free Trade Agreement. Consultations were held with third countries to reaffirm existing automotive trade commitments, and to indicate the trade and investment-creating potential of the Agreement.

Steel policy measures were adopted in 1987 to help maintain access for Canadian exports. Steel export monitoring commenced on June 1, 1987, to provide more accurate information on the Canadian steel trade. These initiatives supplemented existing policies to deal with problems facing the Canadian industry as a result of continuing worldwide over-capacity, widespread subsidization and the managed global trading environment for steel. Measures already in place included the marking of steel pipe and tube imports, from 1985, and carbon steel import monitoring since September 1986. Comprehensive steel trade monitoring was also initiated to help respond to concerns that Canada was being used as a back door for foreign steel shipments destined for the United States.