

C\$10 million economic development fund to provide technical assistance to these countries (e.g., management training) and to promote trade and investment; and granting of the General Preferential Tariff to imports from Poland and Hungary.

Foreign Investment Protection Agreements

Canada instituted a new program of bilateral Foreign Investment Protection Agreements, which extend protection to Canadian investors abroad and to foreign investors in Canada on a

reciprocal basis. The first agreement was signed with the U.S.S.R.; negotiations are planned with Poland, Czechoslovakia and Hungary.

Canadian Initiative on Export Credits

Building on a Canadian initiative launched at the Paris Economic Summit in 1989, Canada actively supported efforts in the OECD to further strengthen international rules on the use of subsidized export credits that distort trade and aid. The negotiations are scheduled for completion in 1991.

**E. INDUSTRIAL
TRADE POLICY**

There were additional efforts to enhance market access, competitiveness and technological adaptation of Canadian manufacturing industries through effective application of trade agreements. These objectives were also pursued by promoting the development of improved international trade rules on technical standards, rules of origin and other practices affecting trade in industrial products.

Canada continued to promote a stable but restraint-free trading environment to facilitate competitiveness and enhanced operational efficiency in the automobile industry. This policy

was implemented through international consultations as well as under trade agreements. The Automotive Select Panel required by the Canada-U.S. Free Trade Agreement was established on April 6, 1989. The panel is a private sector group comprising members of the Canadian and U.S. automotive industries. The panel initiated work in line with its objectives "to assess the state of the North American industry and propose public policy measures and private initiatives to improve its competitiveness in domestic and foreign markets."