

prospects for pursuing these interests in the Third World have become increasingly linked to other key items on the international agenda — energy, debt and finance, trade and domestic industrial change.

Churches, provincial and municipal governments, private organizations, small businessmen and concerned Canadians from all walks of life have demonstrated both the desire and the capacity to help. Many thousands of Canadians are involved in humanitarian and economic and social development efforts throughout the world, often in ways the government could not duplicate, even if it wished. *How can government assist Canadians best to help others? How directly should development assistance serve Canadian foreign policy interests? What should be the nature of the linkage between our trade and aid programs? Should our practice of tying aid to procurement in Canada be relaxed for the poorest countries? How much of the government's effort should be channelled through Canadian non-governmental organizations (NGOs)? What changes would improve our program delivery?*

There is a need to examine the objectives, policies and programs of Canada's co-operation with the Third World. In seeking the right balance in our programs abroad, priorities must be chosen and decisions will not be easy. Canadian funds for assistance abroad are limited.

Strengthening the Multilateral Economic System

Successive Economic Summits, in which Canada has been a participant, have stressed the importance of rolling back protectionism. A new Multilateral Trade Negotiation (MTN) round is expected to be launched soon to deal with contemporary obstacles to trade, including tariff and non-tariff barriers, and to expand coverage of international rules on agriculture, services and safeguards. It would also attempt to bring the Newly Industrialized Countries (NICs) more fully into the General Agreement on Tariffs and Trade (GATT) system of rights and responsibilities. The negotiations on these issues, however, could be lengthy and the results limited and long-term. Nevertheless, Canada supports the initiation of a new round of multilateral trade negotiations in the GATT, which may serve to re-establish the

integrity of the multilateral economic system. Domestic consultations are under way to define Canadian interests so that we can, in turn, help to establish the negotiating agenda. *What do Canadians, especially business and labour, want to see on that agenda? Should we allow or, alternatively, can we resist more international competition in certain domestic sectors that now benefit from various forms of protection?*

For Canada, a rise in protectionism abroad poses great dangers. We must have reasonably secure access to markets large enough to generate the revenues necessary for a sound return on investment and to support the further development of competitive products. To be competitive, Canadian industries must develop world-class products incorporating the finest technologies and materials available at home and abroad. We require heavy investments of human and financial capital and long-term production and marketing strategies.

Competitiveness, Investment and Exports

Canada's international competitiveness is, to a large extent, determined by our firms' capacity to invest and their ability to innovate, using their own research and development and applying the best technologies available. It needs to be backed up by economic diplomacy and combined with even more effective export marketing. A number of critical questions need to be answered:

- Is there scope for closer government-industry-banking co-operation to attract productive investment to Canada?
- Should the federal government and Canadian industry and banks develop a program to prospect abroad for potential direct foreign investment?
- How best can government programs abroad complement private sector activity in acquiring the most advanced technologies from abroad and disseminating them in Canada?
- Would Canadian industry lend experienced personnel to the government to identify important new technologies abroad and to direct this information to the companies who need it?
- How best can government, industry (including multinational enterprises) and other research centres co-operate to keep abreast of leading-edge technology?