

legislation in the EC, and be capable of effectively representing Canadian interests. This will require the establishment or maintenance of strong cooperative relationships between key public authorities in the EC and Canada. Over the longer term, it may also require the adoption, in an EC context, of more formal measures for cooperation, such as the Canada-U.S. Memorandum of Understanding With Respect to the Application of National Antitrust Laws.¹¹⁰

The developments examined in this report will also be important factors for consideration in future Canadian domestic policy development. The use of reciprocal treatment provisions in Community directives and regulations on public procurement, merger control, financial services and other areas is increasing the interdependence between Canadian policy developments and the access of Canadian businesses to EC markets. Canadian policy, therefore, will be required to take greater account of the Community's economic and regulatory legislation, as well as that of the U.S. and our other major trading partners, when designing legislation for Canada. Also, it will be even more important for Canadian domestic policies to promote the development of competitive and efficient domestic markets. With more efficient EC competitors, the use of regulatory, procurement, subsidy and other policies that create unnecessary inter-provincial barriers to trade or restrict competition between Canadian firms will pose an even greater threat to the development of internationally competitive Canadian industries. Similarly, Canadian companies that are able to use private arrangements to restrain competition will be less likely to become internationally competitive. Accordingly, it will continue to be important to have an effective competition policy framework in place in Canada.