

- c) exercise fully Canada's rights under bilateral and multilateral trade agreements so as to safeguard access to export markets;
- d) work more closely with Canadian producers and provincial governments to search out and to develop new export markets and to derive maximum potential from existing markets; and
- e) expedite new legislation intended to ensure that Canadian producers benefit fully from Canada's rights under international agreements to deal with unfair and injurious imports. It is the government's belief that Canada's procedures for dealing with such imports should be as responsive, efficient and effective as those of our major trading partners.

III. Trade and Domestic Policy: The Interrelationship

A successful trade policy and trade performance can play a major part in the government's fundamental economic development strategy but the interrelationships between trade and domestic policies are critical and require careful coordination and coherence. Domestic economic policies can have a more powerful impact on trade performance than do international trade negotiations, changes in the tariff and exercise of other trade policy instruments. Policies which secure greater market access for Canadian producers can be undermined not only by adverse trade measures but also by domestic policies which affect the capacity of efficient Canadian producers to compete internationally (e.g. taxation, environmental, transportation, competition, technological development, manpower, regional industrial development, supply management, pricing, government regulatory activities and inconsistent provincial and federal measures which tend to fragment the Canadian common market).

A clear consensus on economic development, one which emphasizes expansion and which, above all, improves the climate for business decisions, is of singular importance to the success of Canada's trade performance. An overriding priority therefore is to create a climate of certainty and predictability; to stimulate sectors with the greatest capacity for sustained growth; and to ensure that efficient Canadian producers/exporters are not disadvantaged by domestic policies. Trade considerations need to be taken fully into account in deliberations on domestic economic policy.