balancing between the interests of domestic producers and consumers, between the interest of different regions, and between the need to protect the domestic market and enhance access to foreign markets for Canadian exporters. The ultimate test of these policies is that they contribute to an economy in which Canadians can find rewarding jobs and satisfy their needs from a wide variety of competitively priced goods and services.

a) *Maintaining and Improving Access to Markets*

Access to markets is crucial to the health of the Canadian economy. Preserving and enhancing the stability of existing foreign market access conditions and seeking further improvements to the markets of the USA, Europe, Latin America and Asia for agriculture, fisheries, processed industrial resource products, a range of manufactured and advanced-technology goods and related services will thus remain a central condition for sustaining and enhancing profitability of producers and achieving the necessary efficiency and economies of scale. The level of access to foreign markets, particularly the USA, achieved over the years now provides the kind of market basis which many Canadian industries have needed to achieve the necessary economies of scale and provides a strong base for further expanding and diversifying Canadian exports. Preserving that market access will require active monitoring and assessment of foreign laws, regulations and practices to assist Canadian firms to take full advantage of negotiated access. In particular, we will need to ensure that the liberalization achieved during the Tokyo Round is fully implemented, including a full and effective adherence to the non-tariff measures agreements. As well, we will need to prevent the impairment or nullification of Canada's rights through unwarranted recourse to contingency import protection (i.e., anti-dumping, countervail and safeguards) and other border measures inconsistent with international rules.

A wide range of Canadian exports of resource-based products and machinery and equipment will enter the USA duty free (e.g., aluminum, agricultural machinery and implements, pulp and paper-making and metal-working machinery, and aircraft, engines, avionics and parts). Other products face relatively modest tariffs in the 3 to 5 percent range. Nevertheless, there will remain significant market access barriers with duties on important and export-oriented sectors such as rolling stock being high, i.e., 15 percent or more. Other sectors, which are now not export-oriented, could on a selective basis become so with a reduction in barriers, for example, to exports of textiles and clothing. In some sectors, while tariffs remain high, e.g., petrochemicals, they are not unduly constraining investment in Canada and the development of export-oriented industries.

Perhaps more importantly, a number of non-tariff barriers such as 'Buy America' legislation and practices at both the federal and state levels severely impede access of Canadian exports and, in some important cases, induce domestic producers to establish plants in the USA to bypass these barriers. The threat of even more such non-tariff barriers is ominous. Congress has already passed a number of restrictive measures that have had the effect of reducing the access Canadian manufacturers formerly enjoyed in the defence sector. There is also the whole complex of contingency import protection that can be brought to bear on Canadian exports. To a considerable extent, the administration of these laws and regulations has been