

The trade policy agenda has expanded considerably in the face of the increasing global pressures on what governments and populations have generally taken to be domestic policy instruments. The negotiating agenda will almost certainly expand further into the investment field, and have to address creatively additional new issues, including those explored in some detail in this paper. Exploratory preparations have already begun in this regard and must be maintained. This process of closer interaction will continue. In essence, we face one policy playing field. The coordination of players and plays must be agile and comprehensive.

In this regard, close federal-provincial cooperation is crucial. The policies of one level of government can severely undermine the efforts of another jurisdiction to provide a stable environment for investment and growth. The single playing field paradigm catches all major policies, ranging from education and labour relations to tax policy and the cost of capital. Provincial actions can strengthen or weaken the coherence of policies related to all the issues explored in detail in this paper: investment, competition policy, R&D and the environment. Continuing inter-provincial trade barriers undermine Canadian competitiveness and, indeed, the Canadian union. To date, Ontario has been the flagship location in Canada for foreign investors, and thus bears a special responsibility for ensuring the effectiveness of pan-Canadian efforts to attract quality investment.

Finally, it is clear that increasing policy cohesion is essential to managing the significantly more complex and intrusive trading system of the 1990s. Governments can facilitate this cohesion through greater coordination in the administration of and policy development related to the ever increasing array of policy instruments caught in the process of globalization. External Affairs and International Trade Canada interacts daily with the impact of global pressures on Canada and provides the central interface between domestic policies and evolving international trade disciplines across a broader front than any other government department. As the trade agenda continues to expand, the importance of coordination and the need for policy coherence can only increase as well.

Effective management of the multifaceted internal-external interface requires a holistic approach. The consolidation of all trade policy instruments under one roof (including statutory responsibility for the tariff and trade remedy legislation, as well as all aspects of investment promotion) should be actively pursued. For its part, External Affairs and International Trade must continue to reassign and train officers to reflect more fully the rapidly growing importance of managing the trade policy and economic files. Globalization demands better coordination and deployment of legal instruments, increasingly scarce funds, and appropriately trained human resources.