

OBJECTIVES: Trade and Investment Development

- Maximize the long-term return of collaborative government/exporter efforts at market development
- Increase trade and investment in the knowledge-based and service industries while maintaining our competitive strength in areas where Canada has built a comparative advantage
- Broaden efforts to facilitate the linkages between trade, technology and investment

Sustainable Development and the Environment

Our economic well-being, our lifestyle, our living standards and our quality of life are dependent upon our ability to protect the environment and its resources for present and future generations. Balancing economic and environmental considerations to create sustainable development will challenge developed and developing countries alike. Differing economic conditions, the pursuit of sustainable development practices and the multilateral sharing of global resources and responsibilities will require new levels of international cooperation, cooperation that will prove controversial and difficult given the divergent interests involved.

Threats to our prosperity from environmental degradation come from global as well as domestic sources. We must work with developed and developing countries to establish effective environmental guidelines and controls, to advance international environmental law, and to integrate economic and environmental decision-making in international financial institutions and other international organizations. It must be recognized that the expectations and needs of the developing world will have to be met in part at least from the donor community if real strides are to be made.

The evolution of international arrangements to address environmental challenges will require the ongoing assessment of linkages between international and domestic policies.

Strong environmental standards are compatible with encouraging development of a more competitive Canadian economy. However, we shall have to pay attention to adjustment costs and move in step with our major trading partners to avoid the risk of being undercut