

rules reduce the risk of arbitrary recourse to such measures and provide the instruments necessary to deal with problems. Appropriate and timely exercise of Canada's GATT rights can be effective in preserving market access for Canadian exports to these markets.

- Developing countries pose a series of challenges: as markets for agricultural and fishery products, capital investment and advanced-technology goods; as suppliers of highly competitive standard-technology products, tropical foodstuffs and industrial raw materials; and as partners in the multilateral trade and payments system. Maintenance of preferential access for developing country exports serve as a useful mechanism to encourage LDC economic development and to strengthen economic ties between Canada and the LDCs.

IX. Domestic Consultative Framework: Building a National Consensus

The combined impact of both domestic and international policies, including the relationship of federal and provincial policies, affect the ability of Canadian business to exploit its competitive advantage. A major challenge of policy management in the 1980s will thus be to ensure proper coordination of these various policies. The recent government re-organization is designed to strengthen the capacity of the federal government to respond positively and effectively to this challenge.

In the formulation and implementation of Canada's trade policy and the conduct of trade relations, consultations with various private interests have normally been held on specific issues as circumstances warrant. As well there are structured, ongoing consultations involving bilateral and sectoral business groups, such as the Export Trade Development Board, the Canada-Japan Business Committee and the Canadian Business and Industry International Advisory Council. During the Tokyo Round, the Canadian Trade and Tariffs Committee, which was established to hold consultations with various interests concerned, received approximately 500 individual submissions. This consultative process was furthered by confidential discussions with different interests by the Canadian Coordinator for Trade Negotiations. These consultations, of course, focussed on negotiating objectives and not on trade-offs and tactics. Consultations with the private sector were prominently featured in the preparation of this Discussion Paper. Throughout the 1980s consultation with private sector interest groups will remain a key ingredient necessary to develop broadly based and coherent domestic and international priorities.

There has been a steady evolution in the structure for federal-provincial consultations or exchanges of views on international trade and commercial policy matters. One of the direct effects of the gradual shift from the almost exclusive focus on traditional border instruments, to concerns with the impact of domestic economic policies and programmes on international trade, has been the need to increase and intensify consultations with the provinces. It is recognized that the prospects for expanding trade offer dividends of a regional as well as sectoral nature and that success in establishing improved access can help resolve internal tensions. At the same time, the provinces have become increasingly concerned with the impact of international trade developments on their policies and economic development prospects.