

cooperation are possible to ensure enforcement? What kinds of policies in one area are undercutting competitive behaviour in another? Are trade and competition policies in conflict?

- Innovation policy, e.g., fiscal, subsidy and government procurement policies adopted by governments to attract knowledge-intensive industries. What impact do these policies have? Is it possible to negotiate basic rules about the appropriate role for governments in encouraging basic and applied research?
- Subsidies. The role of subsidies in economic life and the degree to which subsidies distort international trade and investment remain an important area of research and analysis. Extensive subsidy agreements have eluded governments for more than thirty years. Even if there is a breakthrough in the Uruguay Round or the NAFTA, different views of the appropriate role of government in society remain a potential source of conflict and thus an ongoing candidate for further negotiations. Can we build on the Uruguay Round experience in the FTA or NAFTA? Is it possible to negotiate agreements that obviate the need for the unilateral application of trade remedies? Is Canada prepared to undertake rigorous subsidy disciplines? To what extent are the provinces prepared to be bound by international subsidy agreements?
- Labour/social policy interface with trade policy. With the disaggregation of production and its easy re-location to low-wage countries, there is increasing pressures on governments to address the erosion in opportunities for standard production workers in advanced industrial economies. To what extent can labour market and related social issues be addressed through trade negotiations? Will the pressure to protect specific jobs replace earlier protectionist pressures to protect specific investments?
- Regulatory policies. As national economies become ever more integrated, the scope for conflict arising from differing regulatory schemes will proliferate – involving, for example, local content rules to promote cultural identity, income support programs for farmers or fishermen or environmental clean-ups for pulp and paper mills. As a result, more and more issues traditionally considered to be strictly domestic will become the subject of international negotiations. These negotiations will involve commitments leading to greater policy harmonization – a politically contentious issue in many cases – as well as disciplines setting out the degree of tolerable policy rivalry. What regulatory schemes are likely to be early candidates for international negotiations? Where do Canadian interests lie? What kinds of norms should we be looking for regarding some of these issues? What are the policy fields that would benefit from the experience of limited regional ar-