

Some values issues pose interesting conundrums. For example, we insist that Canada and other WTO Members maintain their ability to promote and enhance domestic cultural policy objectives, but Canada also exports cultural products, and so our trade policy must strike a balance here. Anyone familiar with federal and provincial budget-cutting exercises of recent years knows that public policy is about making difficult choices; trade policy is no exception.

In terms of **economics**, Canada faces a crunch when negotiations involve sectors still benefiting from protection here. Protected industries usually occupy a specialized niche, perhaps in rural areas or a particular region; a number of them also operate in an international economic environment characterized

by profound distortions, which can have a direct bearing on their ability to compete. Depending on when, whether, how and to what extent protection is removed, there may be regional and social impacts to be tempered. However, the option espoused for certain sectors, given their overall importance to the economy and prevailing distortions in the corresponding world markets, is simply not to liberalize them.

Last, certain sectors provide benefits that cannot be reduced to solely economic terms: consider culture, health care, public education or environmental management. Trade policy must not abrogate the right to regulate in support of policies essential to Canada's identity and future.

