

- coordinated efforts with developing countries in economic development projects in these countries through aid, commercial exports of goods and services, investment and joint ventures; and
- continued willingness to join international commodity stabilization agreements (e.g., tin, sugar, coffee, etc.) which are remunerative to producers and fair to consumers.

e) *Other Countries: Maintaining Productive Ties*

Trade relations with other countries such as Australia, New Zealand, the countries of EFTA, and state-trading countries will continue to make a major contribution to the well-being of individual producers and regions, especially for fully manufactured products. Access to these countries' market is reasonably good and in many cases is conditioned by both participation in the GATT and bilateral arrangements. While the volume of trade is unlikely to grow significantly, the opportunities for expansion of exports of particular product lines is significant. For the state-trading economies, exploitation of opportunities through countertrade may prove more rewarding than traditional trade flows, requiring a more than normal element of government participation. The Soviet Union has long been a major importer of Canadian grains, and together with other Eastern European countries, has potential as a market for Canadian manufactured goods. Though opportunities are conditioned by East-West political realities and financial constraints, there remains adequate scope to develop broad, stable and sophisticated trading ties with the centrally planned economies.

Conclusions:

- The relative share of Canadian trade with the USA, the EC, and Japan will probably continue to represent about 85 percent of the total for the foreseeable future.
- As the US share (roughly two-thirds of the total) will remain predominant, the management of Canada-US trade relations can determine the success or failure of most of our economic policies, as well as our relations with most other countries. The future direction of Canada-US relations must therefore be a matter of first priority.
- Trade with the EC and Japan is likely to continue to be dominated by resource-based exports and imports of manufactured goods and equipment, but there is a need to improve the product mix of our exports to both and to gain increased access to these markets.
- The existence of an effective framework of multilateral rules to deal with non-tariff measures and resolve disputes, the range of existing bilateral arrangements, and the extent of duty-free access to the US market already achieved, provide scope for closer economic cooperation with the USA.
- The risks of our trading partners' systems of contingency import protection being misused for protectionist purposes are real. However, international