

for efficiency and competitiveness. As a result, a greater degree of industrial concentration in Canada can be tolerated than in most other jurisdictions. In such circumstances, Canada will rely more heavily on foreign competition to preserve an effectively competitive domestic environment.

One aspect of competition policy may currently be inhibiting Canada's trade performance. The law affecting the establishment of export consortia now inhibits Canadian exporters of many manufactured products from entering into such arrangements in order to enhance their sales. The Act allows the formation of export consortia only if they do not unduly lessen competition in the domestic market. This in practice affects most directly exporters of standard technology products at various stages of processing, especially if they manufacture similar products for the domestic market. In recognition of the hardship the Act may be imposing on exporters, amendments are being considered which would allow unlimited formation of export consortia as long as their activities relate solely to exports. A number of other contemplated amendments should also ensure that the Act does not stand in the way of gains in efficiency and productivity. Overall, it is important that the administration of this Act starts with the presumption that the market-place is the international market.

The large dependence of the economy on exports has required government programmes and policies to ensure that Canadian goods are rapidly *transported* to international markets at competitive cost. The continued expansion and modernization of domestic handling and export delivery systems and other infrastructures facilities are crucial to Canada's competitiveness, especially for bulk commodities. To this end, the government has committed substantial expenditures over the next few years to develop the infrastructure for new grain and coal terminals at Prince Rupert, to expand the Robert's Bank terminal at Vancouver thereby improving Canada's coal shipping capacity, to improve port handling facilities at Montreal, Saint John and Halifax, and to stimulate modernization and expansion of the western rail system. These projects will play an important role in removing current capacity constraints in the transportation system. Furthermore, the export performance of the resource-based sectors in Western Canada in the 1980s will be influenced by decisions on a rate-setting system for all modes of transportation that would remove transportation bottlenecks in that part of the country. The gradual deregulation of the transportation industries would further assist in inducing competitiveness and productivity.

Effective *labour* adjustment will be a key determinant of the success of the federal government's strategy to revitalize industrial capacity towards specialized international competitiveness. Expansion of existing firms and creation of new economic opportunities—the upside phase of the adjustment process—is dependent upon an adequate supply of skilled labour. Productivity improvements inherent in the development and application of high technology will not be achieved if the necessary skilled labour is missing. Human resource policies to facilitate positive adjustment must, therefore, focus on ensuring adequate supplies of skilled labour to meet high regional or occupational demands for such labour.