

A large, complex offshore oil rig is the central focus of the background image. The rig's intricate steel framework, including a prominent derrick, extends into the sky. It is situated in the middle of a dark, calm sea. In the distance, a smaller vessel is visible on the horizon. The overall scene is captured in a monochromatic, sepia-toned style, giving it a historical or industrial feel.

SOME HARD QUESTIONS

However you come at the question, trade policy poses challenges to Canada. In terms of **governance**, the federal government is concerned about maintaining its ability to regulate in the public interest. Provinces share that concern, especially as trade negotiations have begun to address areas under provincial or shared jurisdiction and have also started to deal with labour and environmental cooperation. As a result, the provinces have demanded a more formal role in Canada's trade policy.

Clearly, the federal government must take notice of provincial concerns and responsibilities and seek outcomes that meet with their approval. In this, it can draw on long-established practices of consultation and cooperation, which provide a basis for jointly addressing these challenges. At the same time, Canada must negotiate with one voice in the international arena—that of the federal government—if it is to be credible and effective.

Of concern to Canadians in general are **values** issues such as labour and human rights, or environmental protection. Addressing these in negotiations demands flexibility. Success ought to be measured by whether our efforts have a positive impact abroad, especially in conjunction with broader international efforts in these areas. Without being doctrinaire about how this is done, it is obviously related to how far social, environmental and economic objectives are integrated into trade policy.