

Board and the Special Assessment Programs Branch of Revenue Canada, all major elements of the import system will have been examined and updated to reflect Canada's current needs in this area.

The various revisions to Canada's import regime are intended to ensure that the government has the necessary legislative authority to implement a regime which meets the modern requirements of Canadian industry, which takes full advantage of Canada's rights under the GATT, and which provides a system as effective and efficient as that of our trading partners. These objectives fully recognize the need for a balanced approach to our commercial policy, namely, an import regime that provides a legislative and regulatory framework similar to that in place in other countries while not adopting unwarranted protectionist measures which do not take account of the interests of consumers, of regional sensitivities, of the need for industrial restructuring, or which may be regarded as precedents by other countries and subsequently used against Canadian exports. Canada's record in this regard is neither better nor worse than our trading partners—in trade policy there are no "boy scouts". At the same time, an effective Canadian commercial policy requires a vigilant defence of Canadian export interests and rights that may be affected by the practices of other countries. However, having a system of contingency protection in place does not remove the need for governments to make judgements in each case on the appropriateness of a specific action in light of the balance of interests involved. Similarly, the import regime cannot reasonably be expected to cushion the full impact of the competitive pressures on the domestic market. It must be seen as just one aspect of a number of mutually supportive and reinforcing domestic economic and industrial policies and programmes. A dynamic and growing economy which hopes to sustain and enhance such growth and wants to compete in international markets cannot afford the luxury of isolating itself from the forces of international competition. To quote the Prime Minister:

We cannot avoid the competition. We must keep our home markets open to the products of others in order to secure access to their markets for our products. So we must meet the competition, at home and abroad.

c) *Export Controls Policy*

While the purpose of commercial policy is to promote the efficient development of the Canadian economy, commercial policy instruments are occasionally used for other reasons, including trade embargoes, controls on strategic exports, and prohibitions on imports of obscene literature. Resort to commercial policy instruments for such reasons, however, needs to be carefully considered to ensure that the intended effect will be met and the benefits outweigh the disadvantages of distorting or limiting trade. In this regard, increasing resort to export controls for various foreign policy reasons (such as human rights, and East-West relations) has raised concerns about both the adequacy and extent of these controls.

The need for some form of controls is obvious, but there remains a need for broader agreement, both domestically and among industrialized countries, on the practices and criteria which govern their application. Canada should play a full and active role in efforts to improve the consensus and seek to provide greater clarity and