

- to actively pursue the current work programs in the General Agreement on Tariffs and Trade (GATT) and Organization for Economic Cooperation and Development (OECD);
- to work to achieve further trade liberalization negotiations in the GATT, with particular emphasis on expanding trade with and among developing countries. We are currently engaged in negotiations to improve the coverage of the GATT Agreement on Trade in Civil Aircraft and the government will be consulting with the private sector and the provinces on Canadian objectives in negotiations to broaden the coverage of the GATT Agreement on Government Procurement.

VI. Radical Shift?

A radical shift in the Canadian trade policy framework is neither warranted nor practical. There are no magic alternatives to the open multilateral system which has guided Canadian trade policy and performance in post-war years and which provides a basis on which bilateral trade relations are conducted. This system, embodied in the GATT, has served Canada well. We need only look at the dramatic growth in our exports and the increasing contribution of trade to our GNP as evidence of the benefits to the Canadian economy of the agreed multilateral rules. They give us improved access to export markets and the certainty and predictability which the private sector needs in making investment decisions. We stand to gain through efforts to strengthen both the capacity and the credibility of the system. We stand to lose if actions are taken which weaken or undermine its principles. It is not a matter of choice but of sheer necessity for Canada. In a one-on-one trade world, we would be at a decided disadvantage with larger trading partners.

The basic conclusion is that we can do better in ensuring that our practice is within this framework and that we need to do more through multilateral and bilateral channels simply to preserve our existing stake in trade.

VII. The Importance of the U.S.A.

Successful management of our relations with the USA is fundamental to the achievement of Canada's economic objectives and to the success of all of our trading relationships. The review addresses the significance and complexity of the Canada-USA trade relationship and analyzes