

identity and a feeling that arrangements with U.S. which lead to closer economic ties constitute in some way a dilution of Canadian "nationhood". The problem is evidently of a psychological rather than legal or economic nature. I believe it is an out-dated attitude, one which fails to take account of the enormous strides taken by our country in the last decade towards a stronger, more confident sense of nationhood. There may be further consolation in the news from Brussels. Has European economic integration resulted in any perceptible loss of national identity or appreciation of national interest by the nations involved? If so, it is difficult to discern. I Doubt Mrs. Thatcher would agree!

Then there are those who claim that sectoral arrangements will lead inevitably to a southward drift of production, investment and jobs. They argue that trade liberalization with the United States would be contrary to Canada's interest because Canadian industries cannot compete with American and that even where Canada is a competitive location, multinational enterprises would always choose to produce in the United States.

If this argument has any validity it applies of course to any liberalization, however achieved. The same