

## Time to start negotiations

Richard G. Lipsey (Senior Economic Adviser, C.D. Howe Institute) and Murray Smith urged Canada to seize the initiative in opening negotiations with the U.S. for a comprehensive trade liberalizing agreement aimed at removing tariffs and containing and reducing non-tariff barriers.

"Now is the time to reject the timid approach that offers slow decline and to seize the opportunities for continuing Canada's growth in living standards and employment through major trade enhancement..."

Professor Lipsey noted that a bilateral approach to the U.S. was not inconsistent with multilateral efforts for trade improvement through GATT. Mr. Lipsey recommended that both courses be pursued.

The submission conceded adjustment in employment would be necessary with trade liberalization, but such an agreement would not increase overall unemployment.

Nor would political sovereignty be jeopardized. Indeed, Professor Lipsey maintained that securing treaty access to the U.S. market would actually increase rather than diminish Canadian room for manoeuvre in following many of its national policies.

A comprehensive agreement would also represent the only chance for Canada to get some significant restraint on American contingent protection measures.

## Long-term policy needed

Motor Vehicle Manufacturers Association (Norman Clark, President, and David Rehor, Treasurer) said the Automotive