

CONSIDER, FOR EXAMPLE, THE CASE OF THE CANADIAN PETROCHEMICAL INDUSTRY. GIVEN CANADA'S ABUNDANCE OF NATURAL RESOURCES, PARTICULARLY NATURAL GAS, AND RELATIVELY FAVOURABLE COSTS, PETROCHEMICALS ARE ONE OF CANADA'S STRONGEST MANUFACTURING ASSETS. HOWEVER, THE INDUSTRY IS CAPITAL INTENSIVE. IN ORDER TO BE INTERNATIONALLY COMPETITIVE, IT NEEDS CONSIDERABLE ECONOMIES OF SCALE, WHICH MEANS HAVING UNFETTERED AND SECURE ACCESS TO A LARGE MARKET. YOU CAN ALL NAME OTHER INDUSTRIES WHICH WOULD WELCOME AND THRIVE IN A MARKET TEN TIMES THE SIZE OF OURS.

WHAT THE GOVERNMENT HAS DONE SO FAR IS TO INVITE THE UNITED STATES TO BEGIN NEGOTIATIONS ON TRADE BETWEEN THE TWO COUNTRIES. THERE MAY BE NO NEGOTIATIONS, IF CONGRESS REFUSES TO CONSIDER ARRANGEMENTS WHICH WOULD LIMIT ITS POWER TO THREATEN CANADA WITH PROTECTIONIST BILLS. AND IF THE NEGOTIATIONS BEGIN, THEY MAY COME TO NOTHING, IF WASHINGTON DEMANDS A PRICE WHICH WE ARE NOT PREPARED TO PAY. BUT WE BELIEVE WE CAN STRIKE A DEAL THAT WOULD BE GOOD FOR CANADA. WE HAVE NO ILLUSIONS, HOWEVER, AND WE KNOW AMERICANS WILL BE HARD BARGAINERS. IF WE CANNOT STRIKE A DEAL THAT WOULD BENEFIT ALL OF CANADA, WE WILL STRIKE NO DEAL AT ALL.