

serious competitive challenges under the FTA. These included various sectors of the agriculture industry and the clothing and textile industries.

4.2.2 Local and Municipal Government:

A number of border cities such as Windsor and Brockville have begun the process of establishing new industrial parks designed to facilitate new investment from U.S. firms. However, so far, little new investment has been reported.

Other municipalities have expanded existing trade promotion activities in the United States, and a number of mayors have led delegations to Europe and Asia in the search for new investment.

A number of U.S. border cities, including Buffalo and Ogdensburg, New York, have been actively pursuing new Canadian investments and promoting themselves as locations for export oriented U.S. companies.

4.2.3 Corporate Initiatives:

While business interest in the idea of free trade remains high, the Canadian Manufacturers Association has expressed concern that free trade means little to a large portion of Canadian business. A survey of CMA members in the spring of 1989 found that only a minority had done any detailed study of the impact of free trade on their customers, suppliers and competition even though 40 per cent expected to rationalize their product lines as a result. Surprisingly, nearly 60 per cent of its members reported that there would probably be no substantial change in the way they operate¹¹¹.

A major report, *The Aggressive Economy: Daring to Compete*, released in June, 1989, set out the CMAs concerns and recommended actions to redirect the attention of its members towards outward-looking and competitive strategies.

In January, 1990 the CMA co-hosted a forum with the Province of Ontario and has commissioned a number of consulting reports on the strategies followed by companies which have both succeeded and failed to enhance their competitiveness.

Much of the corporate response to the FTA is discussed in the Section 3.2 - Changes in the Structure of Employment and Production.

¹¹¹ As reported by the *Globe and Mail*, "No clear pattern on free trade", July 4, 1989 B1.