

There are a great many Canadian producers who relish the challenge of greater access to a market of 250 million people. They are confident about their capacity to compete in a more certain North American environment. They have confidence in their capacity as managers and in the skills, know-how and diligence of their workers.

Consider for example the case of the Canadian petrochemical industry. Given Canada's abundance of natural resources, particularly natural gas, at relatively favourable cost, 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.

Another example of an industry which suffers today from inadequate access to the U.S. market is the Canadian Urban Transit Equipment industry. The Canadian market for urban transit equipment is limited. Canadian manufacturers have to export to survive. Their natural and nearest export market is the U.S. But "Buy America" and similar content requirements imposed at state levels, make this market extremely difficult for Canadians.