

correspondingly significant adjustment impact, in terms of reduced employment in such sectors; the advantages and burdens of adjustment would affect predominantly the areas of highest manufacturing concentration; and, while there has been no research into the net employment effect, estimates suggest that substantial inter-sectoral employment shifts of up to 7 per cent of the labour force would occur.

83. While these findings are an essential part of the considerations relevant to a policy decision, the main task facing Canadians is to concentrate on micro-economic and sectoral investigations and to examine how each option affects such assessments. More specifically, the government will be seeking information, views and perceptions from the private sector generally and from individual firms on:

- which approach for Canada-U.S. trade relations is most appropriate to deal with the principal barriers to market access in the U.S.;
- the impact of these approaches on firms and sectors in terms of production, exports and employment if such market access barriers were reduced or eliminated;
- the impact on firms and sectors in terms of production, exports and employment if Canadian barriers to imports from the U.S. were reduced or eliminated;
- the implications for investment and technology in particular sectors in any arrangement for the reduction and elimination of trade barriers;
- the major benefits and adjustment costs on specific sectors and regions arising from various options. Which sector would benefit the most, which the least - what would be the overall impact on employment;
- what implications would there be for Canadian trade objectives and policies in other markets if new arrangements were concluded with the U.S.

84. There is, in addition, a political-cultural sovereignty dimension. The public discussion of possible new bilateral trade arrangements with the United States has already resuscitated the traditionally sensitive debate about the political and cultural sovereignty implications of such arrangements. This debate is as old as our country and tends to dwell on historical antecedents. In its latest form, it has generated a healthy and necessary