

The Council recognized that expansion of world markets offered substantial real income gains for Canadians and more opportunity for specialization, higher productivity and a more competitive economy. There would, however, be problems of adjustment, need for welltargeted transitional income support, re-training and mobility programs.

Trade enhancement pact proposed

Business Council on National Issues (Thomas d'Aquino, President, and Alfred Powis, Chairman, Task Force on International Trade). The Council said it was persuaded that a "carefully crafted" bilateral trade agreement with the U.S., which gradually liberalized trade, provided for more assured market access and contained provisions to deal with future commercial policy disputes, would be in Canada's long-term interests.

The Council in 1984 developed the idea of a trade enhancement agreement to provide the basis for exploring the prospects for liberalized trade on a broader basis. This pact was viewed as a preliminary step towards the negotiation of a comprehensive agreement.

There was no reason to believe that an improved trading relationship with the U.S. would pose a threat to Canada's culture or political sovereignty. The Council was strongly opposed to economic or political union with the United States.

The Council supported efforts on a multilateral basis through GATT. This would be coupled with moves to develop new trade arrangements with the U.S.

Without a bilateral trade agreement, there was no way Canada could realistically expect to negotiate its way around or insulate itself from U.S. trade actions or import restrictions.