

Treaty relationship seen

Business Council of British Columbia (Ron H. Granholm) suggested that any free trade arrangement with the U.S. would not allow absolute free trade, but rather special bilateral treaty arrangements with the U.S. that enhance and secure Canada's position with them.

This situation presented an opportunity to begin a process of a "managed trade" or "treaty relationship". In many ways, the Council said, Canada's arrangements with Japan on car imports began this process.

Enhanced trade with the United States would benefit all Canadians and could increase permanent employment opportunities in Canada. It could reduce prices for consumer goods and services as a result of specialization of production.

The council emphasized that enhanced trade with the U.S. would allow Canadian producers to improve productivity; removal of barriers would stimulate investment in resource-processing operations and innovative ventures; security of access to American markets would improve the Canadian investment climate; and there would be expanded opportunities to participate in the introduction of new products and the export of specialized services.

Protectionism feared

Western Canada Steel Limited (Michael Hobbs, Chairman) submitted that trade liberalization to the greatest possible extent should be Canada's target. Neither Canada nor the United States had anything to fear from each other except protectionism and isolationism and "retaliation that breeds retaliation".