

FOLLOWING THAT VERY BRIEF AND INCOMPLETE OUTLINE OF THE AGREEMENT I WANT TO ADDRESS AND EXPOSE FOUR IMPORTANT MYTHS OR MISCONCEPTIONS I HAVE HEARD BEING EXPOUNDED IN THE CURRENT DEBATE IN CANADA.

THE FIRST MISCONCEPTION IS THAT THE CANADIAN GOVERNMENT HAS BEEN STAMPEDED INTO THIS AGREEMENT BY PARANOIA ABOUT UNITED STATES PROTECTIONISM. IN OTHER WORDS IT IS ALLEGED THAT THE GOVERNMENT HAS MISCALCULATED THE SERIOUSNESS OF THE PROTECTIONIST THREAT IN THE USA AND HAS PLACED AN UNHARRANTED VALUE ON SEEKING SECURE ACCESS TO THE USA MARKET.

THE ARGUMENT RUNS LIKE THIS. THE CURRENT WAVE OF PROTECTIONISM IN THE UNITED STATES IS IN RESPONSE TO THE TRADE DEFICIT. THIS, IN TURN, IS THE RESULT OF AN OVERVALUED DOLLAR. NOW THAT THE DOLLAR HAS BEEN DEVALUED, THE TRADE DEFICIT WILL CORRECT ITSELF AND THE PROTECTIONIST THREAT WILL RECEDE. MOREOVER, SOME PUNDITS SAY THAT LAST MONTH'S TURMOIL IN THE FINANCIAL MARKETS HAS SPOOKED THE CONGRESS AWAY FROM PROTECTIONIST LEGISLATION.

IN MY OPINION, THIS ANALYSIS IS FALSE. THE TREND TOWARD PROTECTIONISM IN THE USA IS LONG TERM AND