

Canadian businessmen to desist asking for assistance at exactly the same time that U.S. governments are developing a myriad of tools to assist their businesses to undercut foreign competition, including Canadian exports. This is hardly a level playing field and it would be wildly optimistic to assume that the movement towards an active industrial policy in the United States will be checked by a trade agreement with Canada.

Irrespective of who might win the next federal election, the next Canadian government is going to be faced with the challenge of seriously addressing the economic structure of the country. An agreement with the United States on trade will not result in the panacea to adjust Canada to international realities, which is what the Macdonald Commission seemed to think. The United States, like other countries, has both a dynamic economy and a fluid political scene. It is moving towards a more active industrial policy and a more interventionist one. Reaganomics appears to be but an interlude in a trend towards a more managed economy. In truth, a trade agreement that is most compatible with the probable direction of American economic policy would most likely be an agreement to manage trade, not to free it. Jargon aside, such an agreement would effectively turn the Macdonald Commission's recommendations on their collective head. Yet, attractive as real free trade might be to the Commission, as it is to the ideologues of Reaganomics, it is far more likely that we are entering into an era of great attempts to manage trade and economic activity. Whether this is in the best interests of Canada seems almost to be superfluous: the more pertinent question is whether we understand where things are