

agreement with the United States. It rejected any piecemeal approach to trade liberalization.

He said the committee underlined that any full-scale trade agreement would in no case lead to political integration with the U.S. This was "totally unwarranted by the facts". A far more potent threat to Canada's political and social strength would come from continued weakening of its industrial performance and decline in its economic stability.

The growing competition in international markets, the increasing resort to non-tariff barriers in the U.S. and the development of a massive free trade bloc in Western Europe -- all these developments suggested strongly that Canada must seriously consider protecting its trade interests by seeking a special bilateral arrangement with the United States.

In his brief, Senator van Roggen suggested several trends indicated the merits of such an agreement. One was the increase in protectionism in the industrialized world. International competition had increased. Specific U.S. protectionism was another factor. The growth of regional trading blocs was another key development.

The senator conceded that some industries and sectors would be net losers in a free trade pact. But these dislocations would have to be dealt with. Adjustment assistance to works and firms hurt by an accord would clearly be a priority.

In summary, the senator said a bilateral trade agreement would offer Canada "much improved access to a huge and prosperous market, access that we do not now enjoy..."