

large export benefits that cannot be acquired in any other way..."

Professor Wonnacott said that if there were a strong resurgence of U.S. protectionism that seriously damaged access to the U.S. market, the status quo would disappear as an option for Canada and Canada would have little choice but to seek some form of bilateral trading accommodation with the U.S. But that would be the worst possible time to try to negotiate freer trade; it would be even more difficult than it would be now to get U.S. agreement to provisions to reduce Canadian adjustment costs.

In any broad agreement, Professor Wonnacott suggested, creation of an agency to handle disputes and appeals would be essential.

Trade enhancement treaty

Professor John Crispo (Faculty of Management Studies, University of Toronto) acknowledged there is no risk-free trading option for Canada, but only one makes any real sense in the long run -- free trade with the United States.

The way to achieve that objective is to negotiate a trade enhancement treaty between Canada and the U.S. as quickly as possible. It should commit Canada and the U.S. to the principle of free trade and set out a procedure and timetable for working in that direction.

Professor Crispo warned that if Canada does not work out a meaningful economic agreement with the U.S., it is running a serious risk -- overriding all others. Without such an agreement, there is a real chance that the U.S. standard of living will rise considerably faster than that of Canada. "If anything will destroy this country, it is that distinct possibility..."