

is that powerful pressures already exist to harmonize policies of the two countries. The close links between the two countries make it difficult for Canadian policies to get too far out of line with those ruling in the United States. The question is: Would a free trade association with the United States seriously increase these harmonization pressures?

Background

Canada is a small country situated next to a colossus. In 1984 its population was 11 percent of that of the United States and its total output -- as measured by the GNP -- was 9 percent of U.S. output.

Canadians have considerable familiarity with the United States. They travel to the United States on business or holiday; they retire in Florida; they invest in New York, Texas, and California; they emigrate to the United States in significant numbers. It has been estimated that there are more persons of French-Canadian ancestry in the Northeastern United States than in the whole of Quebec and, if you scratch any profession, occupation, or trade in the United States, you will quickly encounter people who were born in Canada or who are of Canadian ancestry.

Yet, there are profound differences between the two peoples. For example, Canadians have traditionally looked to governments at all levels as friendly partners in the economic development of a vast country, which seems to defy "economic logic". They do not share the deep distrust that most Americans have for strong or activist governments.²

.. Canadians have maintained a set of social policies closer in spirit to European social democracy than to anything existing south of the border. Many Canadians also feel that theirs is a very fragile culture that could become fully Americanized unless protected and nurtured by public support.