

There are a great many Canadian producers who relish the challenge of greater access to a market of 250 million people. They are confident about their capacity to compete in a more certain North American environment. They have confidence in their capacity as managers, and in the skills, know-how and diligence of their workers. Consider, for example, the case of the Canadian petrochemical industry. Given Canada's abundance of natural resources, particularly natural gas, and relatively favourable costs, petrochemicals are one of Canada's strongest manufacturing assets. However, the industry is capital intensive. In order to be internationally competitive, it needs considerable economies of scale, which means having unfettered and secure access to a large market. You can all name other industries which would welcome and thrive in a market ten times the size of ours.

What the government has done so far is to invite the United States to begin negotiations on trade between the two countries. There may be no negotiations, if Congress refuses to consider arrangements which would limit its power to threaten Canada with protectionist bills. And if the negotiations begin, they may come to nothing, if Washington demands a price which we are not prepared to pay. But we believe we can strike a deal that would be good for Canada. We have no illusions, however, and we know Americans will be hard bargainers. If we cannot strike a deal that would benefit all of Canada, we will strike no deal at all.

These would be commercial negotiations between two distinct and sovereign countries, whose intelligent co-operation can create more jobs, more growth, and more economic security on both sides of the 49th parallel. The economic advantages of freer trade are undeniable. But we all know that modern nations are more than economies. The challenge will be to strengthen our economy and our sovereignty.

The question of Canada's sovereignty and sovereign identity is not new to me. For eight long months, four years ago, I fought and changed a constitutional measure, precisely because I believed it offended the nature of my country. Like my Prime Minister, and many of our colleagues, I came into active politics in response to Mr. Diefenbaker's vision and had the honour, a month ago, to announce sovereign decisions to ensure that northern integrity which he proclaimed.

I know something about this country — its strength, its contradictions, its sense of vulnerability. My own view is that, in recent years, we have become much stronger, as a national community, much more sure of our ability to compete.

The Canada of 1985 is not the fragile newcomer to the family of nations that it was at Confederation. We have come of age, and the expectations of our citizens have matured. It is now appropriate for Canada to be more assertive, both as to who we are, and what we can achieve.

Over the past ten years, other countries and other economies pulled ahead of Canada, despite our abundant resources and skills. We failed to keep pace with technological developments. In 1968, Canada exported more than Japan; today, Japan's exports are more than double our own. Globally, we fell from fourth to eighth as a major exporter. Out of 70 manufacturing sectors, we gained market share in only four, and declined in 21.