

THE OTHER WAY IN WHICH THE STATUS QUO IS CHANGING RELATES TO CANADA'S COMPETITIVE POSITION IN THE WORLD. I HAVE ALREADY REFERRED TO HOW THE CHANGE IN GLOBAL ECONOMIC FORCES IS AFFECTING THE U.S. ECONOMY. THE EFFECT ON CANADA IS NO LESS PRONOUNCED, EVEN IF THE DETAILS VARY.

GLOBAL TECHNOLOGICAL AND ECONOMIC DEVELOPMENTS MEAN THAT CANADA'S RESOURCE BASE CAN NO LONGER FINANCE THE MAINTENANCE OF AN INEFFICIENT MANUFACTURING ECONOMY SHELTERING BEHIND HIGH TARIFF WALLS. CANADIAN MANUFACTURERS HAVE REALIZED THAT THEY CAN NO LONGER PROSPER FROM THE DOMESTIC MARKET ALONE. THEY NEED SECURE AND FREE ACCESS TO LARGER MARKETS, ESPECIALLY THE U.S. MARKET, TO INVEST TO ACHIEVE ECONOMIES OF SCALE AND SPECIALIZATION.

THE THIRD MYTH OR MISCONCEPTION IN CANADA IS THAT THE MULTILATERAL TRADE NEGOTIATIONS UNDER GATT AUSPICES AND BILATERAL TRADE DEALS WITH THE UNITED STATES SOMEWHAT REPRESENT ALTERNATIVES, INDEED, INCOMPATIBLE ALTERNATIVES. NOTHING COULD BE FURTHER FROM THE TRUTH. REGIONAL FREE TRADE AREAS SUCH AS THE EUROPEAN COMMUNITY AND THE CANADA-UNITED STATES