NOTES

1. See "European chemicals: Shake, heat, squeaky-pop," *The Economist* (July 16, 1988): pp. 68-69 and Patricia Layman, "Fine chemicals adjust to changing markets," *Chemical and Engineering News* (March 30, 1987): pp. 10-11.

2. *Investing in Canada's Fine and Specialty Chemicals Industry*, Chemicals and Investments Directorate, Department of Regional Economic Expansion, Ottawa, 1988: p. 5.

3. In the relevant statistics uranium is classified under "chemicals and chemical products" as an industrial inorganic chemical. But the Canadian Chemical Producers Association does not consider it as such. Strictly speaking, in terms of Europe 1992, uranium is an energy issue. However, the broad message of Figures 6 and 7 remains the same whether uranium is included or excluded.

4. This was true of the average price of Canadian-produced oil: from 1981 newly discovered oil was priced at world levels. See John F. Helliwell et al., "The Western accord and lower world oil prices," *Canadian Public Policy* Vol. 12 (1986): pp. 341-355.

5. See Sheila Arnott, "Bullets bitten, chemical firms restructure," *Financial Post* (January 25, 1986): p. 26; Nicholas Hunter, "Chemicals: A leaner industry hopes to do better with freed-up energy prices and freer trade," *Report on Business Magazine* (July, 1986): pp. 71-72; Nino Wischnewski, "DuPont geared for trade challenge," *Financial Post* (February 1, 1988): p. 25.

6. The performance of the Canadian industry over the last few years is usefully chronicled in a series of articles by Earl Anderson in *Chemical and Engineering News*. See "Profits make a strong recovery," Vol. 65 (December 14, 1987): pp. 43-44; "Rising exports buoy already surging chemical sales," Vol. 66 (December 12, 1988): pp. 41-42; "Good, but slower, growth for Canadian chemicals," Vol. 67 (June 22, 1989): pp. 25-27.

7. See Table 2 and *Chemicals Directorate Statistical Review, 1988*. These figures are misleading however; though since 1982 they include plastics production in the auto industry, they do not include a number of major plastics manufacturers, such as Northern Telecom (telephone sets) or Black & Decker (power tools). Furthermore, in interviews conducted for this study it was reported that there were more than 2 000 firms and 100 000 workers in the sector. The inconsistency between this estimate and the figure reported in Table 2 is one index of the difficulties of industry classification in this sector.

8. T.A. Wheat, "Advanced ceramics in Canada," *CIM Bulletin* Vol. 80 (April, 1987): pp. 43-48.