

IT IS INCREASINGLY CLEAR THAT NO COUNTRY CAN AFFORD TO INSULATE ITSELF FROM THE WORLD AROUND IT, AND THE UNITED STATES AND CANADA ARE NO EXCEPTIONS. INEVITABLY, AS THE PACE OF CHANGE ACCELERATES, PROTECTIONIST FORCES EMERGE, PARTICULARLY FROM THE WEAKER INDUSTRIAL SECTORS. BUT PROTECTIONIST TRADE POLICIES ARE COSTLY. THEY RESTRAIN THE INDUSTRIES OF THE FUTURE AND THEY REWARD INEFFICIENT INDUSTRIES AND PRODUCERS WHO IN TURN PASS ALONG HIGHER PRICES TO CONSUMERS.

HIDING BEHIND TRADE BARRIERS WILL WEAKEN OUR ABILITY TO OFFER COMPETITIVELY PRICED GOODS AND SERVICES BOTH AT HOME AND ABROAD. IT WILL REDUCE THE ABILITY OF CANADIAN AND U.S. EXPORTS TO PENETRATE OVERSEAS MARKETS. AS PRESIDENT REAGAN HAS SAID, "PROTECTIONISM IS DESTRUCTIONISM".

TAKE STEEL. IT'S AS BASIC A PRODUCT AS CAN BE IMAGINED. ALL THE METALLURGICAL COAL USED IN CANADIAN FURNACES IN HAMILTON OR SAULT ST. MARIE COMES FROM SOUTH OF THE BORDER, DUG FROM THE PITS OF PENNSYLVANIA. A GOOD PORTION OF OUR IRON ORE, THE OTHER BASIC INGREDIENT, COMES FROM THE MINES OF DULUTH. EVERYTIME WE PRODUCE A SHEET OF ROLLED STEEL IT HAS A 20% USA CONTENT. IF THESE EXPORTS ARE CURTAILED IT IS NOT JUST THE CANADIAN STEELWORKER WHOSE JOB IS LOST, BUT THE JOBS OF YOUR FRIENDS OR RELATIVES IN SCRANTON OR HARRISBURG.