

Wine

A report in the *Vancouver Sun* on December 17 stated that External Affairs Minister Joe Clark, in speaking to reporters after a speech to the Canadian Club in Kelowna, said that Agriculture Minister John Wise, BC provincial officials and representatives of the wine industry met on December 3 to discuss easing the impact of the free trade agreement on BC grape growers and wine producers. Canadian wines are currently protected by preferential pricing by the provinces (*Vancouver Sun*, December 17). Meanwhile the thorny, decades-old question of increased access to the Canadian market for European wine, beer and spirits was the subject of talks in Brussels between Canadian and European community negotiators.

Lumber

The Minister of International Trade, Pat Carney, revealed some good news for the lumber industry. She told the Commons on December 16 that Canada had successfully renegotiated the memorandum of understanding on softwood lumber which was concluded a year ago with the United States. As a result, all softwood lumber products milled in the five provinces of British Columbia, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland, and representing close to 75 percent of Canada's softwood lumber exports to the US, would be exempt from the 15 percent export charge. Dale Sproule, President of the Nova Scotia Forest Products association, was quoted by the *Halifax Chronicle-Herald* on December 17 as saying lumbermen are "ecstatic that the Maritimes have been excluded from a 15 percent tax on softwood shipments to the US." The Maritime Coalition Against Unfair Lumber Taxes also hailed the decision exempting all Atlantic Canadian companies from an export tax on softwood lumber shipments to the United States.

A request by Congress to delay until June the introduction of a bill that would implement the free trade agreement with Canada was turned down by the US administration in a letter from Treasury Secretary James Baker and Trade Representative Clayton Yeutter to congressional leaders. A delay would have jeopardized the deal according to them. In their letter, the two US cabinet officials had not proposed their own date for introducing the bill in Congress, but asked for a meeting with the heads of two key congressional committees to discuss an earlier timetable acceptable to both sides. Canadian officials had said implementing legislation for the free trade pact could be ready for introduction in the House of Commons as early as February (*Toronto Star*, January 13).

The Senate Foreign Affairs Committee continued its hearing on the Free Trade Agreement while the House of Commons awaited the introduction of implementing legislation.

Deaver Affair

Former White House aide Michael Deaver was found guilty in Washington, DC, on December 17 on three counts of lying under oath in connection with his lobbying activities. But a United States District Court jury also found the 49-year-old confidant of President Reagan not guilty on two other counts, one of which involved Canada. It was

questions about Mr. Deaver's connection with the government of Canada on the issue of Acid Rain that prompted the investigation of his lobbying activities almost two years ago (*Globe and Mail*, December 17).

Arctic

Arctic sovereignty emerged again in January as a major item of foreign policy activity and debate. It began as a result of the signing in Ottawa on January 11 of the Canada-United States agreement on Arctic cooperation. The document was tabled in the House of Commons on January 19 by Secretary of State for External Affairs Joe Clark. Under the Agreement US icebreakers will seek Canadian permission prior to entering waters claimed by Canada, but Washington has not recognized Canadian claims to sovereignty in the waters of the Northwest Passage. In a statement issued by the White House on January 11, President Reagan said "this is a pragmatic solution based on our special relationship, our common interest in cooperating on Arctic matters, and the nature of the area. It is without prejudice to our respective legal positions and it sets no precedents for other areas."

At a press conference in Ottawa on January 11, Mr. Clark minimized the future roadblocks to Canada's sovereignty claim. "It's not in limbo for all time," he said. "The United States has its view, we have a different view. They have not accepted ours, we have not accepted theirs" (*Toronto Star*, January 12).

Leader of the Opposition John Turner (Liberal) charged in the Commons that "the Secretary of State for External Affairs negotiated and signed an agreement with the United States which fails to recognize Canadian sovereignty over the Arctic."

Mr. Clark responded that as a result of this agreement "the United States now acknowledges and has a legal obligation to seek Canada's permission before there is a transit through our Northwest Passage of government-owned or -operated icebreakers. That is a small but significant step forward in emphasizing Canada's control over our North" (*Hansard*, January 18).

The *Montreal Gazette* in an editorial on January 12 observed that "the deal should prevent a repetition of the embarrassing 1985 Northwest Passage crossing by the US icebreaker *Polar Sea*. Washington had not asked permission for the trip because it said the passage was an international waterway. Canada considers the passage internal Canadian waters....Unfortunately, this deal does not mean that Canada will be safe from any further embarrassments by US vessels in the Arctic. Neither submarines nor commercial non-icebreaker ships are covered."

The *Winnipeg Free Press* in a January 13 editorial asserted that "the best way to establish sovereignty over a piece of the globe is to exercise it. Countries which demonstrate that they exercise control over a piece of land or water often end up persuading the rest of the world to recognize that reality." The *Edmonton Journal* took up the cause on January 13: "Recently, there have been encouraging signs Ottawa is serious about pressing its rightful claim to the Arctic. The government's White Paper on defence envisions a nuclear-powered submarine patrolling northern waters with the assistance of under-ice surveil-