

## 4.2 RESPONSE & INITIATIVE ELSEWHERE

### 4.2.1. Provincial Government Initiatives:

Provincial governments have also undertaken a number of initiatives in response to the FTA. While there has been some dispute over whether the provincial governments are bound by the FTA, by and large they have followed through where action was required, with the notable exception of barriers to trade in alcoholic beverages where progress has been slow.

Liquor, wine and beer pricing practices in Ontario and shelving requirements in Quebec may lead to United States action under the FTA or a continuation of the long running GATT complaint.

Provincial industry ministries also have been actively pursuing the same goals as their federal counterparts in attempting to assist adjustment to FTA forces. As they do so, more intense scrutiny by the United States of potentially countervailable practices seems likely<sup>109</sup>.

The Province of Ontario has established The Premier's Council, an advisory panel of corporate, academic and government experts. It has produced a report, *Competing in the New Global Economy*, which identifies the strengths and weaknesses of the Ontario economy in a global context<sup>110</sup> and includes adjustment and restructuring advice in its recommendations. As a follow-on to this report, the Premier's Council has commissioned a number of studies and recently co-hosted a forum with the Canadian Manufacturers Association (CMA) to address the question of how to make Ontario's companies, worker-force and government policy more competitive. Policy initiatives to meet those goals, including the possibility of a pay-roll tax for training, are expected from the Ontario provincial government in the spring.

In Nova Scotia, the government appointed an Adjustment Advisory Council, chaired by Gilbert Winham of Dalhousie University, to address the same issues as the de Grandpré task force. Its report, *Adjusting to the Challenge*, was issued in September, 1989, and while generally following the thesis of the Economic Council and the de Grandpré report -- that adjustment programmes need to be universal -- it did make several specific recommendations for adjustment assistance to industries thought likely to be subject to

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<sup>109</sup> For example, Ontario's new wage assistance programme for engineers, called an "incentive" rather than a subsidy by the Ontario government, is likely to cause alarm as it is directed to exporting firms. Other "subsidy" programmes may also attract U.S. attention. For example, see "L'attitude des provinces dans certains dossiers mettrait en danger le traité de libre-échange; le talon d'Achille: les subventions gouvernementales aux entreprises", *Le Devoir*, 15 juillet, p. A2.

<sup>110</sup> PREMIER'S COUNCIL, 1989. *Competing in the New Global Economy* 3 Volumes. Toronto: Province of Ontario.