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# Bilateral Relations

## USA

The proposed Canada-United States Free Trade Agreement continued to be the predominant factor in relations between the two countries during the period August/September.

### **Acid Rain**

US Secretary of State George Shultz responded with a firm "no" to External Affairs Minister Joe Clark's one last plea for a bilateral acid rain pact. Mr. Clark was in Washington in mid-September for the quarterly bilateral meeting with his US counterpart (*Financial Post*, September 17). After his 4-hour meeting with Secretary Shultz, Mr. Clark told reporters in Washington that the US administration refused to budge from its opposition to the type of acid-rain agreement sought by Canada. He added that there had been no movement on the "basic question" of setting firm targets and a firm timetable for reducing US emissions of sulphur dioxide and nitrogen oxide, the two key ingredients of acid rain (*Ottawa Citizen*, September 15).

A committee of the Pennsylvania state legislature headed by Representative John Broujos, held hearings on a bill that would radically cut the state's sulphur dioxide emissions, which are considered the second highest of any US state. David Schindler, a biologist who had worked for years near Kenora adding acid to lakes as a controlled way of doing what acid rain does elsewhere, appeared as a witness before the committee and supplied technical data concerning the impact of acid deposition on aquatic life in lakes (*Toronto Star*, September 23).

### **Free Trade Agreement**

The House of Commons passed the Canada-United States Free Trade Agreement (FTA) enabling legislation, Bill C-130, on August 31 by a vote of 177 to 64. Canadian legislation, Bill C-130, was awaiting Senate approval at the end of September (*External Affairs News Release*, September 19).

The implementing legislation also passed in the US Senate by a vote of 83 to 9 on September 19. Democratic Senator Daniel Moynihan of New York warned that relations between Canada and the United States might deteriorate if a new government in Ottawa tore up the agreement (*Toronto Star*, September 20). The Senate passage followed the approval by a margin of 366 to 40 in the House of Representatives on August 9. US Trade Representative Clayton Yeutter said he was delighted with the overwhelming endorsement and added, "This historic economic pact will...spur economic growth, generate more jobs and lower consumer prices as well as provide more choices for consumers on both sides of the border" (*Globe and Mail*, August 10).

### **Agriculture**

A delegation of the Canadian Federation of Agriculture (CFA) met with International Trade Minister John Crosbie on September 15 in Ottawa to express concern that Canadian food processors felt vulnerable to cheap American imports. The Minister told the group that the government would not impose import controls until there was evidence of a problem (*The Western Producer*, September 22).

The Canadian Federation of Agriculture was also withholding support from the FTA unless members' fears about the impact on supply management boards, the Canadian Wheat Board and other farm policies were alleviated. The *Western Producer* on September 1 reported that the CFA had issued a statement stating "CFA cannot support the implementation of the FTA in its current form."

Agriculture Minister John Wise issued a public statement detailing actions the government had taken to safeguard the interests of Canadian agriculture under the bilateral trade agreement. "The agreement will provide significant economic benefit to Canadian agriculture and ensure more secure and predictable access to our largest agricultural export market," claimed the Minister (*Agriculture Canada News Release*, August 24). The *Saskatoon Star-Phoenix* reported on August 26 that both the