

trading partners of the United States.

In an opposing column appearing in the same paper, Mel Hurtig, Honorary Chairman of the Council of Canadians, stated that "this agreement represents an unprecedented abandonment of national powers and massive transfers of authority and decision making from Canada to the US. We have agreed to share our energy with the US even when Canadians run short and allowed Americans to buy up the ownership and control of even more of our resources." After predicting a "vastly increased unemployment and a lower standard of living for Canadians," Mr. Hurtig forecast that by signing the Agreement, "we will be signing away our greatest asset, our ability to determine our future" (*Ottawa Citizen*, December 19).

### **Omnibus Bill**

Fears over the effects of the Omnibus bill expressed by provincial premiers were exaggerated, according to Congressman Sam Gibbons, Chairman of the trade subcommittee in the House of Representatives. Mr. Gibbons said the bill makes specific provision to exempt Israel, which has had a free trade agreement with the US since 1984, and a similar clause could be added to the bill for Canada (*The Gazette*, December 19).

The External Affairs and International Trade Committee of the House of Commons undertook a study of the FTA and reported to the House on December 15. Concern about US protectionist legislation was echoed in the Committee's unanimous recommendation that Canada withdraw from a tentative free trade deal with the US if Congress passes the protectionist legislation without an exemption for Canada. The Committee's other conclusions paralleled political party stands on the issue. In a speech to an Edmonton Chamber of Commerce luncheon, Fred Jones Hall, US Deputy Assistant Secretary of State for Canadian Affairs, said, "anybody that has a \$10 billion trade surplus with the United States as does Canada will be severely affected by tariffs," unless, of course, the Canada-US Free Trade Agreement is in place. Mr. Hall warned that the United States would not tolerate its \$200 billion trade deficit much longer (*Edmonton Journal*, December 18).

Another protectionist trade bill introduced in the US Senate alarmed officials in the Canadian defence industry and government. Businesses and government officials intended to fight the legislation which they said could result in the loss of contracts and high-technology spin-offs at a time when the two countries were moving toward free trade. The bill, introduced by Illinois Democrat Alan Dixon, is designed to strengthen the US defence industrial base and reduce dependence on foreign suppliers for vital military parts. The bill does not single out Canada, but its supporters accused Canada of unfair trade practices. Senior government officials said the Americans were playing word games when they designated Canadian programs as subsidies and ignored the Pentagon's multi-million dollar assistance to US firms (*Toronto Star*, January 11).

### **Agriculture**

Ontario's fruit, vegetable and wheat farmers will lose more than \$870 million annually as a result of the Canada-US Free Trade Agreement. So Ontario's Agriculture Min-

ister Jack Riddell told more than 300 southwestern Ontario farmers attending the official opening on January 4 of the fiftieth annual Farmers' Week. Riddell also said that Ottawa did not seem to be concerned about the potential impact of the free trade deal on the giant food processing industry in southwestern Ontario (*Toronto Star*, January 5). Eleven days after the FTA had been signed, Federal Agriculture Minister John Wise said he expected to protect Canadian milk processors from imports of US-made ice cream, yogurt and a wide range of other dairy products. However, he announced no plans to limit imports of food that contain chicken and eggs, despite claims from industry groups that they would not be able to survive the flood of low-cost imports that is expected when the free trade pact comes into effect (*Globe & Mail*, January 14).

### **Steel**

Major steelmakers were united in their support of the free trade deal. Algoma Steel of Sault Ste. Marie and Hamilton-based Dofasco and Stelco dominate the primary iron and steel industry and directly employ about 60,000 Canadians. They sell steel worth \$7 billion a year. Steel industry executives were strongly supportive of the free trade agreement, according to the *Toronto Star*, of December 22. Canadian shipments of steel to the US for the first nine months of 1987 were 20 percent higher than in 1986, according to US Commerce Department data. Those figures show that to the end of October 1987, 2.7 million tons of Canadian steel were shipped south compared with 2.3 million in 1986. That gives the Canadians 4 percent of the US market, above the 1986 record high of 3.7 percent.

### **Energy**

The *London Free Press* in an editorial on December 19 titled "Energy deal satisfactory" welcomed the prospect which will allow Ontario Hydro and Hydro Quebec to sell electricity in the US at the same price they charge at home, rather than be hamstrung by American regulations. Canada would have access to Alaskan energy supplies and the deal allows Canada to reduce exports to the US in times of shortage, with cutbacks based on the ratio of domestic to export sales. But the *Winnipeg Free Press* on December 19 reported that Manitoba Hydro exports will be subject to a greater number of trade actions under a controversial clause in the Canada-US free trade agreement. The paper was quoting spokesmen for a number of American senators and a Washington lobby group. As well, the *Free Press* reported, Premier Howard Pawley said the accord's final text could prevent the crown-owned utility from receiving federal funding for certain projects, such as the construction of power transmission lines. The federal cabinet member from Manitoba, Health Minister Jake Epp, said that the province's claim that hydro exports to the United States would be threatened was political propaganda and mere speculation (*Winnipeg Free Press*, December 30).

An *Edmonton Journal* editorial on December 19 concluded, "more than any other part of Canada, we stand to gain the most from free trade in energy.... Secure access to our largest market, the United States, would permit acceleration of mega projects, giving us the capacity to exploit our reserves."