

our national and cultural sovereignty, our social programs, our unique linguistic character, and our regional development initiatives."

Liberal Leader John Turner expressed concern about the threat to Canadian sovereignty, the "loss of control over our own energy resources" and the threat to "our social programs and our regional equality development programs. Granted, some customs tariffs have been reduced," Mr. Turner continued, "but they will be reduced in any case in the next round of GATT and other international talks" (*Hansard*, December 18).

New Democratic Party leader Ed Broadbent told the House on December 18 that "instead of maximizing opportunities to shape our own destiny as a free people, the Government has done just the opposite." In a question to the Prime Minister earlier in the week in the Commons, Mr. Broadbent expressed concern about security of energy supply and the adverse effect on health services. The Prime Minister assured the House that "the important question of regional development was very carefully considered by the negotiators and the government throughout. It has been totally protected as an instrument of economic growth in Canada" (*Hansard*, December 14).

### **Provincial Reaction**

A threat, mainly from Ontario, to challenge the trade deal in the courts fizzled out after a final meeting between Prime Minister and the ten provincial premiers on December 17. This was the twelfth in a series of meetings the Prime Minister had held to keep premiers informed of the progress of the trade negotiations. New Brunswick's newly elected Liberal premier, Frank McKenna, dubbing himself a realist, came out in support of the Agreement, leaving David Peterson of Ontario, Howard Pawley of Manitoba and Joe Ghiz of Prince Edward Island still opposing the deal (*The Gazette*, December 18).

The Ontario Legislature, with its Liberal majority, passed a resolution on January 6 denouncing the free trade agreement between Canada and the US. The resolution, which passed 79 to 26 against the combined opposition of New Democrats and Conservatives, said the agreement failed to meet Canada's "needs and goals" while making "significant concessions which could prove costly to Canadians" (*The Gazette*, January 7).

### **Other Reactions**

Former Alberta premier Peter Lougheed and one-time Liberal cabinet minister Donald Macdonald teamed up as co-chairmen of the Canadian Alliance for Trade and Job Opportunities to oppose the deal's critics. Mr. Macdonald criticized Ontario Attorney General Ian Scott, who had said the agreement was an invasion of provincial rights and could be challenged on constitutional grounds. "I think he's absolutely, totally wrong," Mr. Macdonald told a news conference in Toronto (*Globe & Mail*, December 17). Earlier the Motor Vehicle Manufacturers Association held its own briefing to endorse the deal. George Peapples, Chairman of the Association said the deal preserves rather than erodes the Auto Pact, a view challenged by such free trade opponents as the Canadian Auto Workers union (*Globe & Mail*, December 17).

The *Edmonton Journal* of December 16 sampled the US business community's reaction and found that "most US State Chambers of Commerce are either undecided, uninformed or uninterested in the Canada-US trade agreement." The *Journal* surveyed fifteen such chambers and found that eight wanted more information about the deal before making up their minds. Five said that there had been so little business interest in the past that they did not plan to discuss it. Only two states surveyed — California and Minnesota — said they favored the deal. The farther South the state, the less interested were its business leaders. The *Windsor Star* editorial on December 15 reflected "There will be many legislative, and perhaps even legal, obstacles to overcome before implementation of the agreement one year later but political reality suggests that liberalized trade between our countries is inevitable."

The *Moncton Times-Transcript* editorial of December 17 cautioned that "in the United States legislative mill, working its way to Congress is an omnibus trade bill which would limit American imports and permit the US to penalize countries running massive trade surpluses in their dealings with the US. It is exactly this type of protectionism that Canada hopes to avoid and that converted Prime Minister Brian Mulroney from being opposed to freer trade to being a chief advocate. However, any freer trade deal with the US would be pointless, unless Canada is exempted," it concluded. Total exports for Canada in 1986 were \$120 billion, \$93 billion of it to the United States. US exports to Canada were \$77 billion, leaving a surplus for Canada of \$16 billion (*Globe & Mail*, December 17).

A *Winnipeg Free Press* editorial of December 17 concluded that "William Winegard, the Conservative External Affairs and International Trade Committee chairman, offered the most balanced view. The deal, he said, is neither the panacea to all the country's ills nor the instrument of Canada's demise. It is something in between and something that is good for Canada." The *Free Press* added, "most Canadians who approached the agreement with an open mind might come to very much the same conclusion."

In assessing the Free Trade Agreement, Donald Macdonald, a former Liberal finance minister and Chairman of the Royal Commission on the Economy wrote in a column in the *Ottawa Citizen* on December 19 that there were two perspectives from which the Agreement might be seen: the longer run importance it will have on the Canadian economy, and its short term effect on Canada-US trade relations. Considering the longer run perspective first, Mr. Macdonald noted that Canada had become increasingly an exporter of manufactured goods and services and less and less dependent upon exports of unprocessed or semi-processed raw materials. The downward trend of resource exports would continue. Therefore, by eliminating US tariffs and controlling other kinds of barriers to Canadian trade, we might achieve better access to the American market and the opportunity to maintain a good rate of growth in the manufacturing sector would be enhanced. In the short run by creating a special regime between Canada and the United States to govern trade policy, Mr. Macdonald argued, Canada was in a better position to avoid some of the barriers which might be erected against other