

information requirements that a trade monitoring system might need to include.

- o Agriculture - watch agriculture trade carefully, with link to pressures on supply management. Red meat benefits that had been expected show no evidence of improvement yet. Several issues still need to be worked out.
- o Metals - Concern about possible 409-B actions against non-ferrous metals. There are not many quantitative restrictions affecting minerals, but duty drawbacks are significant for minerals processing. Ferro-alloys and zinc alloys with significant tariffs should be watched. The U.S. zinc industry appears to be in trouble, and Canadian exports are likely to increase. Specialty metals should benefit from the FTA.
- o Energy - general view that the FTA will do little to affect trade flows in energy since we were already in post-NEP period. In natural gas, Canada is already much more deregulated than the U.S. which still has lots of inter-state barriers to be worked out. Some rumblings from U.S. natural gas producers are being heard.

A major area to watch for in energy is conflicts about regulation between Canada and the U.S. The NEB use of "vanilla" benefit/cost analysis is being challenged in a Canadian court by Midland/Cogeneration group as state interference in a market price. FERC does not use benefit-cost, but the state of Maine has interfered in purchase of Quebec electricity since full review of alternatives was judged not to have been done.

Bill C-23, currently before Parliament, may affect NEB regulation of electric power; responds to Quebec Hydro's desire to have little interference in its plans. In the energy area, the FTA requires the federal government to ensure regulatory compliance by non-federal agencies. Is there an emerging conflict with provincial utilities? The monitoring of AD/CV actions regarding energy subsidies should be included.

### 3.1.3 Data Support Systems -

Statistics Canada maintains a detailed trade database, updated monthly, revised with new information, and capable of producing special-purpose tabulations as required. Detailed trade tapes are also available from the U.S.

Statistics Canada has also assembled from UN data, a comparable international database of trade flows, with 800 commodities by 165 countries. The Economic Council of Canada plans to use it for its analysis.