

Does the Agreement abandon authority over energy development in Canada? It does not. We already have an obligation to the International Energy Agency to share supplies proportionately in an emergency. The Free Trade provision is less onerous than our existing obligation. Decisions on the pace and nature of energy development in Canada remain Canadian ones. The big change is in securing assured access for Canadian energy products, including electricity to U.S. markets.

Will it undercut regional development and equalization in Canada? No, the Agreement leaves Canadian subsidy programs unaffected. Canada and the U.S. will work together closely in the Uruguay Round discussion of subsidies, and carry out bilateral negotiations within the next seven years. We hope these discussions will lead to common definitions and interpretations, but the U.S. is fully aware of the priority Canadians attach to regional development.

Some very imaginative explanations have been offered of why the Agreement could be seen as a threat to the environment. Once again, there is no foundation. In the Agreement, the limitation on government border measures is linked with the GATT, and GATT's Article XX reserves Government's freedom of action in respect of measures for the protection of human, animal, or plant life. Where new environmental standards are called for, they can and will be implemented, in full conformity with the Agreement.

The same is true of policies respecting water. It is hard to believe that anyone reading the Agreement could see it as a permit to divert rivers, yet these suggestions have been made seriously! Any conceivable doubts on this matter have now, presumably, been laid to rest by the amendment which the government presented last month in Parliament. It is astonishing that matters should have come this far, since large scale water diversions were never discussed in the negotiations and had no place in the Agreement.

Is it just politics? Well it is partly politics and partly old-fashioned protectionism. The NDP is an instrument of the Canadian Labour Congress, an organized labour opposed to trade negotiations before it began, because they are protectionist by ideology.

Some of the other critics of the Agreement benefit from tariffs or controls. They are interest groups with something to lose from open competition.