

government remained "unchallenged and undiminished." The preparatory phase, added the External Affairs Minister, was this same consultative process. Mr. Clark also suggested that Ontario Premier David Peterson, who had claimed a provincial veto in the trade negotiations, was "a little ahead of himself."

In the war of words engendered by the vagueness of the conference communiqué, several provincial Premiers (Ontario, British Columbia and Alberta) remained convinced that Ottawa and the provinces had an equal and constant role in the talks — not merely in the preparatory phase. Despite the Prime Minister's and the External Affairs Minister's remarks, the Premiers continued to insist that the First Ministers' conference had established the provincial role as being to provide Mr. Reisman with his negotiating instructions and limits (*Globe and Mail*, December 5). International Trade Minister James Kelleher told a US audience December 11 that there was "a recognition by all the provinces that there will be only one negotiator at the table — the federal government" (*Globe and Mail*, December 12). Mr. Reisman, he added, would meet with provincial representatives to settle on the implementation of "full participation."

Following a first exploratory consultation between Mr. Reisman and provincial officials in early January, Mr. Reisman indicated that "good progress" had been made to determine a provincial role. However, he stated that "many problems still had to be resolved," with individual meetings with the provinces and further joint sessions to follow (*Globe and Mail*, *The Citizen*, January 8). In addition to formulating an agreement on provincial involvement, the meetings would attempt to establish a common base of facts and analysis of free trade issues facing Canada.

Cultural Sovereignty

The issue of placing Canadian cultural industries on the negotiating table also figured in Commons discussion and government statements once again (see "International Canada" for October and November 1985). An emergency Senate debate was held December 4, stemming from a motion from Senator Jerahmiel Grafstein (Lib.) on the "crisis in Canada's cultural industries." The "crisis," said Senator Grafstein, resulted from the government's failure to "define assurances and set guidelines safeguarding the cultural industries" in trade talks with the US — or to exclude them entirely. Senator Grafstein denied that removing the cultural industries from the talks would "unravel" the negotiating process — one of the prime reasons given by the government for allowing their inclusion. Senator Allan MacEachen (Lib. and a former External Affairs Minister) called for government clarification on what "guidelines it intends to give the negotiator" regarding the protection of cultural industries. However, Senator Duff Roblin (PC) stated that the government was not attempting to "dismantle" Canadian culture but rather, was "dedicated to ensuring it is enhanced and improved" (*Toronto Star*, December 5, *Globe and Mail*, December 16).

Senator Roblin's view was repeated by Prime Minister Brian Mulroney in an address to a US audience in Chicago that same day. Mr. Mulroney stated that Canadian cultural sovereignty was "as vital to our national life as political sovereignty" (*The Citizen*, *Toronto Star*, December 5). Not at

issue in any Canada-US negotiations would be Canada's system of social programs, the fight against regional disparities and most importantly, "our unique cultural identity and special linguistic character." The Prime Minister acknowledged that Canada cast the "cultural net" more widely than did the US. Responding to questions in the Commons December 5 with regard to the Prime Minister's Chicago speech, Deputy Prime Minister Erik Nielsen reaffirmed that "the cultural sovereignty of the country and its languages would not be bargained away If there is any danger of that, there is no deal."

Following a meeting with International Trade Minister James Kelleher December 18, US Trade Representative Clayton Yeutter stated that, from the US perspective, "everything of economic consequence in the US-Canada bilateral relationship is on the table" (*Globe and Mail*, *The Citizen*, December 19). Advocating the "greatest possible breadth," Mr. Yeutter advised that both Canada and the US would be acting to their own disadvantage to begin "reducing the scope" of the negotiations. He suggested that both cultural industries and the Auto Pact should form part of the trade discussions. The US, he added, felt that cultural concerns, "as legitimate as they may be," should not "overwhelm" the primary economic issues under consideration or "dampen" the negotiating process.

Meeting the US

On December 10, US President Ronald Reagan requested congressional authority to negotiate a liberalized trade agreement with Canada. While the possibility of either chamber blocking the proposed negotiations remained remote, both the protectionist mood of Congress and the contentiousness of certain bilateral trade irritants — especially softwood lumber — made tough bargaining likely. With congressional legislators allowed sixty days in which to raise formal objections to the start-up of negotiations, several had already indicated their intention to call for Canadian concessions on the lumber issue prior to giving assent (*New York Times*, *Globe and Mail*, December 10). President Reagan had mentioned the trade irritants in his communications with the Senate finance committee and the House of Representatives ways and means committee, both of which were to hold hearings in February. However, the President emphasized that, considering the "enormous value" of Canada-US trade, "some differences of opinion are bound to arise. We must not let such transitory frustrations . . . obstruct the improvement of our long-term trade relationship" (*Globe and Mail*, December 11). Mr. Reagan reassured the committees that the administration would seek to resolve "such disputes in a reasonable and timely manner."

Mention was made in the Commons December 11 of a study on the free trade issue produced by the Centre for Policy Alternatives which challenged previous studies. The study concluded that any free trade agreement with the US would be an "economic tragedy" with "grave consequences" for Canada, citing massive loss of employment, a lowering of living standards and a weakening of Canadian sovereignty. Warning that a "realistic" assessment of the behavior of multinationals was required, the study called for fundamental changes in export patterns, rather than their reinforcement in a free trade deal which