

government "tell all Canadians exactly what it is you are negotiating in these talks" (*Globe and Mail*, August 12 and 13).

On August 18 Prime Minister Brian Mulroney told the Commons that there would be a full debate of a free trade agreement in Parliament. However, Mr. Mulroney did not agree to provide details on the instructions given Mr. Reisman in discussing issues such as US investment in Canada. External Affairs Minister Joe Clark criticized Opposition leaders for rejecting Ms. Carney's offer of a briefing, saying, "As we get to the last weeks of the negotiations, it would not be helpful to the position of Canada were we to be announcing item by item, development by development, every change or every step along the way in the negotiating process." Mr. Clark added that the government planned "full Parliamentary and public opportunity to consider any agreement that might be arrived at" (*Globe and Mail*, August 19).

A planned September 8 conference between Prime Minister Mulroney and the provincial premiers was delayed until September 14 because of a provincial election in Ontario on September 10. Mr. Mulroney's press secretary Marc Lortie said that the new date of the conference would depend on the premiers' availability and on progress in the free trade talks, the *Toronto Star* reported on August 22. The conference had already been postponed from June 22.

On August 24 the two negotiating teams began a series of talks in Cornwall, Ontario, to try to merge separate draft agreements each country had prepared into a single document. The *Globe and Mail* reported on August 24 that issues that remained a long way from resolution included: new rules to open government buying in both countries; US pressure to relax investment restrictions in Canada; attempts to forge a deal that would cover specific services and a code for all trade in services; and Canada's demand for a binding mechanism to settle trade disputes. On entering the first day of the round of talks, Simon Reisman said, "We've done [our technical work.] What remains are tough, crunch issues for both countries." Peter Murphy said he hoped the week's sessions would produce "something of a bracketed text. We've got to move this work forward" (*Globe and Mail*, August 25).

In the Commons on August 24 Lloyd Axworthy (Lib.—Winnipeg-Fort Garry) asked whether the government intended to fight a punitive duty of up to 85 percent on Canadian potash imposed by the US (See US — Potash, below). Deputy Prime Minister Don Mazankowski said that the duty pointed to the fact "that we do need a comprehensive trading arrangement [with the US.] This is a product of the kind of current trading relationship that we have." He added that what was needed was a "dispute-resolving mechanism that can see these kinds of issues resolved" (*Ottawa Citizen*, August 25).

Later in August, seven US state governors called for the US to negotiate with Canada a new auto pact, because the one in place was "distorting investment and trade to the benefit" of Canada. The governors of Michigan, Missouri,

Indiana, Illinois, Kentucky, Ohio and Wisconsin issued a joint statement calling for "an equitable agreement which lowers the existing . . . barriers" that would "enhance the economies of both countries The US-Canadian Automotive Agreement represents a departure from free and fair trade between our nations." A spokesman for International Trade Minister Pat Carney said in response to the statement, "If the Americans want to renegotiate the auto pact, they always could with one year's notice. It's built right into the agreement." The specific demands of the governors were: to put US vehicle parts suppliers on an equal footing with Canadian parts companies by deleting Canadian content requirements; to eliminate an "illegal export subsidy" that lowered the amount of duty paid by auto companies which purchased Canadian parts for export to the US; and to extend the benefits of duty-free automotive trade only to US manufacturers, and not to those of Japan or other countries (*Globe and Mail*, August 27).

Canada's provincial premiers issued a communiqué from their conference in New Brunswick which condemned the US for harassing trade practices and called on the federal government to fight US protectionist measures with "all strategic instruments." Host Premier Richard Hatfield said, "We certainly want to make it clear that we are very annoyed with [the potash duty.] We think that these actions taken with regard to softwood lumber, with regard to potash, with the [omnibus trade] bill that has gone through the congress, are all indications that they are not being serious or behaving in a serious way in negotiating a trade agreement." Saskatchewan Premier Grant Devine said, "It's all of us together from coast to coast [who] have to face this huge neighbor that is unpredictable right now." The communiqué said the premiers would work together "to assist any part of the country or any particular economic sector harmed by the actions of our trading partners," and reiterated the premiers' demand that any free trade deal with the US include "a guarantee of secure access to the American market . . . and a joint and binding mechanism to settle trade disputes" (*Globe and Mail*, August 28).

Meanwhile, Simon Reisman emerged from a week-long round of talks in Cornwall, Ontario, saying, "On the really close-in critical issues, you can expect that we'll be negotiating right up to the wire I think from here on, [the teams] will shrink, and who knows — at the tail end it may be, you know, heads of state It may take the heads of state to say a few things to each other. If there's a couple of points left at the end, they may have to be resolved at a political level We've resolved quite a few problems that existed [at the beginning of the session] We're not very far away from an integrated, bracketed text. Each time we meet, we'll get closer, and it won't be very long, since we don't have much time left." Mr. Reisman was not sure whether he would have a bracketed text ready for the meeting between the Prime Minister and the premiers in Ottawa on September 14 (*Toronto Star*, August 29).

On September 9 the *Financial Times* of London reported that the chief proponents of a free trade pact,