

drige (who himself has taken a role in attempting to defeat proposed legislation for global quotas on imported steel), that Canada did not "deserve this kind of treatment" (*The Citizen*, June 21).

Sam Gibbons, chairman of a congressional subcommittee examining proposed legislation for global steel import quotas, indicated in mid-June that he was sympathetic to Canadian lobbying for the Canadian steel industry and would be prepared to propose an amendment to the legislation which would secure an exemption for Canadian steel imports. The statement was viewed by Canadian steel industry lobbyists as indicative of a growing awareness in the US administration of the uniqueness of the Canada-US steel industry relationship, and as encouraging in attempts to influence the US government's response to the ITC recommendations (*The Citizen*, June 26).

Six Parliamentary representatives from the three political parties, visiting Washington in an attempt to bolster industry lobbying, met with a favorable response during meetings with US congressmen. The MPs endeavored to persuade selected Senators and members of the House of Representatives that steel curbs would "unjustifiably disrupt trade and harm relations" between the two countries, according to a *Citizen* report of June 27. Jim Peterson (Lib., Willowdale) stated that should the proposed global quota legislation come into effect there would be a profound impact on the Canadian steel industry, and should the quota solution set a precedent, "it could very much disrupt what should be a trend towards freer trade." The MPs stressed that Canada, which trades fairly in the steel sector, should not be penalized for the allegedly unfair practices of other countries. Ian Deans (NDP, Hamilton Mountain) pointed out that global quotas might result in retaliation which might extend beyond the steel industry, something that "would be detrimental to the trading relationship that currently exists." Other members of the group included Bill Kempling (PC, Burlington), Russ MacLellan (Lib., Cape Breton-The Sydneys), Doug Neil (PC, Moose Jaw), and Gilbert Parent (Lib., Welland) (*The Citizen*, June 27).

On July 11, International Trade Minister Francis Fox issued a statement in response to the proposed recommendations of the ITC for import measures on certain steel products. Mr. Fox expressed his "serious concern" with the ITC decision to recommend to President Reagan the imposition of quotas and tariffs on imports. "The implementation of these restrictions could well curtail severely exports of Canadian steel," he said. Canada has maintained that across-the-board restrictions affecting Canadian exports are unwarranted. Mr. Fox stated that the "Government will act energetically to avert any threat to Canadian industry," and he announced his intention to secure "full consultation" with the US government through meetings with US Trade Representative William Brock in order to "retain full access to the US market" (External Affairs communiqué, July 11).

Following meetings with Canadian industry, provincial and labor representatives to determine a unified strategy for the safeguarding of Canadian steel exports, Mr. Fox outlined a "worst-case scenario" of possible retaliation. Mr. Fox added that should global restrictions be imposed,

Canada would "exercise our full rights" under GATT, including either compensation or retaliatory measures not restricted to the steel sector. During the period (sixty days) in which President Reagan might accept, modify or reject the ITC recommendations, Canada would continue its lobbying efforts. It was agreed after the joint meeting that global import restrictions would be "vigorously opposed," and an action program was developed aimed at preserving Canadian access to the US steel market to the "maximum extent possible." It was also agreed that continued close cooperation was essential to ensure that Canada's case was presented "forcefully" before the US administration (External Affairs communiqué, July 18). Mr. Fox advocated either a use of anti-dumping procedures or the institution of a system of "voluntary restraint" rather than the imposition of quotas (*Globe and Mail*, July 18).

Indications were that the Reagan administration favored the voluntary restraint approach and negotiation, especially in an election year. The administration had earlier expressed its opposition to instituting protectionist measures, but pressure from the US steel industry had been viewed as a possible determining force in securing some form of protection. For this reason, negotiated restraint programs with major trading partners appeared the most effective means of avoiding the problems created by across-the-board quotas. This would permit Washington to focus restrictive measures on those countries — not including Canada — that the US determined were engaged in unfair export practices (*The Financial Post*, July 21).

Skagit River Valley Treaty

On June 1, then-Secretary of State for External Affairs Allan MacEachen announced the introduction in the House of Commons of a bill to implement the Skagit River Valley Treaty between Canada and the US. The Bill enabled the Government to bring into force the previously signed (April 2, 1984) Treaty, which itself forms part of a Settlement package including both a British Columbia-Seattle Agreement and a Canada-British Columbia Agreement (defining federal and provincial roles and responsibilities). According to an External Affairs communiqué of June 1, the Bill gives legislative authority for the exportation of electric power to the US from British Columbia for a period of eighty years (ordinarily limited under the National Energy Board Act to a period of twenty-five years). It also provides for a "federal guarantee to discharge the financial obligations of British Columbia in the event of the Province's failure to do so." It was noted that the overall Settlement was negotiated through the coordinated efforts of the International Joint Commission (including representatives from the US, Canadian and British Columbian governments, and the City of Seattle), and a Joint Consultative Group on the Skagit River Valley. The US administration has undertaken to introduce legislation to implement the Skagit Treaty in tandem with the Canadian Implementation Act.

Natural Gas Regulation

A Canadian delegation of officials, composed of National Energy Board chairman Geoffrey Edge, Energy, Mines and Resources assistant deputy minister Roland