

Senate on grounds that the Senate would not consent to ratification. The Canadian Government has made known its profound disappointment at this action. The USA is proceeding to ratify the maritime boundary treaty alone and Canada is reviewing its position on the issue.

On West Coast fisheries, discussions have continued towards a comprehensive salmon interception agreement and a formal round of negotiations took place at the end of April, 1981.

On August 22, 1980, Canada and the USA agreed to an interim arrangement for reciprocal fishing of albacore tuna off the Pacific coast while negotiations proceeded towards a longer term treaty which would also provide for reciprocal landing of tuna at designated ports. A treaty to this effect was initialled in February and will be signed when Canada has assurances that it is approved by the U.S. senators most concerned and would therefore be ratified by the USA. Canada will continue to pursue its GATT rights which were impaired from the time the USA imposed an embargo on Canadian tuna products in 1979 until the lifting of the embargo when the interim arrangement was in place. This trade matter is now before a GATT panel.

Taxation

A Canada/U.S. Double Taxation Convention was signed in 1980 and is now awaiting U.S. Senate consent to ratification.

Extraterritoriality

An increasingly frequent irritant between Canada and the U.S. is the extraterritorial application of U.S. jurisdiction. Recent or current examples include: the Federal Reserve Board's involvement in certain Canadian bank activities with other Canadian financial institutions; the Inter-State Commerce Commission's efforts to deregulate U.S. railways in a way that could adversely affect Canadian railways in Canada; and attempts to have the Federal Maritime Commission regulate Canadian shipping between Canada and third countries when U.S. cargo or ports are involved.