

● On Ultra High Temperature (UHT) milk, consultations were held in May. Canada is now considering requesting a binational panel. Puerto Rico closed its market to Canadian exports of UHT milk through changes to technical health regulations.

IN THE ADMINISTRATION

● In the antidumping and countervailing duty investigation of magnesium from Canada, the final Commerce Department determinations of both dumping and subsidy were postponed from May 18 to July 6 at the request of the Canadian exporter. Commerce found total preliminary dumping and subsidy margins of just less than 66%. Canada continues to pursue the case in the GATT.

● Following the April 30 GATT panel decision upholding most of Canada's complaints against discriminatory U.S. federal and state practices on beer, Canada is pressing for adoption of the panel report by GATT members at the next Council meeting in June. In the case of the GATT panel decision on Canadian practices, a first round of technical discussions was held in early May aiming to implement the agreement in principle reached in late April between the United States and Canada.

● The U.S. steel industry publicly indicated its intention to file large numbers of unfair trade cases against imports of flat rolled steel products from over twenty countries, as yet unidentified. Imports of steel from Canada might be included in order to bolster the case for injury through cumulation of imports. The Embassy and the Canadian industry have been active in trying to avoid Canada being included in these cases.

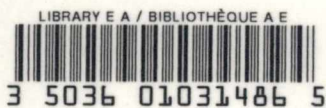
● In the countervailing duty investigation of portable seismographs from Canada, on May 8 the Commerce Department made a preliminary subsidy determination of 0.02% ("de minimis" - counts as zero) for one company and 32.4% for another company. On May 29, the U.S. industry withdrew its petition, ending the case.

IN THE CONGRESS

● The Trade Expansion Act of 1992, introduced by Ways and Means Chairman Rostenkowski, contains provisions to extend "Super 301" authority, automotive provisions for VRA's, a section 301 investigation on rice and auto parts aimed at Japan, amendments to U.S. trade law on circumvention of antidumping orders and Customs modernization provisions. A similar trade bill may be introduced in the Senate. The U.S. Administration opposes the bill. It is too early to assess the chances for enactment of the bill.

● On May 17, the House adopted its comprehensive national energy legislation. It includes provisions opposed by the Administration such as a partial ban on offshore drilling and the setting of federal standards for state gas prorating programs. The House package may go to the Senate Finance Committee and the full Senate for examination of its tax provisions before being forwarded to a House-Senate conference committee in June. The Embassy will continue to press for a resolution of Canadian concerns with the Senate provisions (passed earlier) on uranium and alternative fuels.

● The Senate Environment Committee completed its review of legislation to reauthorize the Resource Conservation and Recovery Act (RCRA). The bill would encourage pollution prevention, recycling, use of recycled content in products, and would give states greater control over the amount of out-of-state garbage they accept for disposal. The bill must now go to the full Senate for debate and a vote, but given its controversial nature, it is unclear when this will occur. Similar legislation is moving through the House where the next step will be review by the full Energy and Commerce Committee. Overall prospects for passage of RCRA reauthorization this year seem doubtful.



Need More Information?

Here is a list of Embassy officers following the developments described in this advisory.

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