

•Senate action on the National Energy Security Act (S. 1220- Johnston and Wallop) is expected shortly after October 15. The bill provides for the opening of the Arctic National Wildlife Refuge to oil production and a competitiveness test for imports (Domenici-Wirth amendment) which would discriminate against Canadian natural gas in violation of the FTA. The Embassy continues to protest strongly these measures in preparation for the next legislative step, the full Senate vote. Other provisions to ensure that adequate fuel is available for the expanded use of alternatively fueled vehicles and to expand the Strategic Petroleum Reserve respect Canadian interests. Energy legislation is less advanced in the House.

•On August 17, President Bush signed legislation making "Exon-Florio" permanent. The U.S. foreign investment screening mechanism (for investments which could bear upon national security) is now no longer dependent on regular Congressional reauthorizations of the Defence Production Act. The Administration is expected to issue shortly the long-awaited regulations to administer Exon-Florio.

•Reflecting concerns about the slow pace of U.S. agricultural exports and the prospects for E.C. agricultural policy reforms, a number of legislative proposals have been introduced. These include proposals to implement marketing loans; to eliminate acreage reduction programs; to expand the coverage of the export enhancement program and to provide direct export credits, mainly to the Soviet Union.

IN THE ADMINISTRATION

•On July 18, the Department of Commerce initiated an antidumping investigation of steel wire rope from Canada. Following Embassy representations and Canadian industry arguments, the U.S. International Trade Commission unanimously threw out the case at the preliminary injury determination, an early stage in the process.

•Since August 2, Canadian exports of nepheline syenite - a mineral used in glass production - have been subject to a U.S. antidumping investigation. The U.S. Commerce Department is expected to issue a preliminary dumping determination by the end of the year.

•At the request of a small U.S. magnesium producer, antidumping and countervailing duty investigations against magnesium exports from Canada were initiated September 25. The U.S. International Trade Commission will make its preliminary injury determination by mid-October. If injury is found, the investigations will continue with preliminary determinations of subsidy and dumping respectively in November 1991 and March 1992.

•A long-standing agreement to suspend a countervailing duty investigation of red raspberries from Canada was terminated September 20 following a Canadian request on behalf of the British Columbia government and industry. Although the suspended investigation should have resumed, the U.S. industry withdrew its complaint, bringing the entire proceeding to an end.

•On July 10, the U.S. Commerce Department revoked the 1988 countervailing duty order on oil country tubular goods from Canada. This means the end of a 0.72% duty applied to one Canadian exporter following extensive litigation in the U.S. courts.

•A General Accounting Office report on foreign countries' grains programs is expected to be released in October. In Canada, on August 22, Grains and Oilseeds Minister Mayer announced the initiation of a study by the Canada Grains Council of the impact of U.S. grains and oilseeds programs on Canadian farm income.

•On July 23, Canada made its first submission to the GATT panel established to hear Canada's complaint on U.S. practices on wine and beer. The panel's decision is expected in December. A separate GATT panel, established to examine a U.S. complaint against Canadian practices for imported beer, is expected to issue its decision shortly. In a related development, Canadian officials issued a final determination of dumping against imports of U.S. beer from three U.S. producers into British Columbia. An average dumping margin of almost 30% was found. By October 2, the Canadian International Trade Tribunal will decide whether the imports are causing injury to Canadian producers.

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Need More Information?

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

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