

steel and restricted access to foreign markets for US products were stressed by the group of organizations as sufficient reason to refuse an implementation of quotas.

Following an announcement by the Reagan administration that ITC recommendations had been rejected by the President, International Trade Minister James Kelleher issued a statement September 18 reflecting the Canadian government's attitude to the decision. Mr. Kelleher viewed the rejection as reflecting "a firm commitment to resist protectionist action" and as recognizing that "fair traders" such as Canada should not be penalized by global measures. He noted at the same time that a potential threat still remained from proposed US legislation that might restrict Canadian access to US steel markets (External Affairs communiqué, September 18). Consultations were held among the Minister, officials from the provinces, the Canadian steel industry, and union representatives, and in an External Affairs communiqué of September 26, Mr. Kelleher stated that the threat of restrictive action had been effectively removed. This followed meetings between Finance Minister Wilson and US Treasury Secretary Regan. Mr. Kelleher noted that the consultations between the various interested parties had determined a common objective: "to retain access to the US market and preserve jobs for Canadian steelworkers." At the same time, it was noted as a shared concern that Canada "not become a dumping ground for foreign steel or a diversion route for offshore steel destined for the US market."

Representatives from the Canadian steel industry expressed pleasure with President Reagan's decision to negotiate individual agreements with selected steel exporters (Canada not among them) to prevent "surges" in which exports have jumped "rapidly, excessively and unfairly," cut subsidizing and limit "predatory trade practices" (*Globe and Mail*, September 19). They welcomed the decision that would allow Canadian steel to enter the US unrestricted — a fair indication that the US administration recognized the "fair" trading practices of the Canadian industry. However, the steel community remained apprehensive about impending Congressional legislation on steel quotas (designed to limit the import ceiling to 15 percent) (*The Citizen*, September 19).

In making the US announcement, seen by many as a strong administration endorsement of free trade, William Brock indicated that the "surge" agreements (to be negotiated over the next ninety days) were intended to limit the import share of the market to 20 percent (now standing at 25 percent). He also described the original ITC recommendations as "not in the national interest" (*Globe and Mail*, September 19, 20). Credit for the Canadian exemption was given, for the most part, to the Canadian willingness to consult with the US, monitor exports, and cooperate in the lengthy lobbying effort that preceded the President's decision.

Copper Quotas

The copper exporting industry in Canada joined the steel industry in receiving from the Reagan administration a favorable decision with regard to the imposition of import quotas and tariff barriers. US copper producers (a coalition of eleven lodging the complaint) had appealed to the ITC

for relief from import penetration of the domestic copper market. The ITC had considered the case and then had forwarded to President Reagan a recommendation for the imposition of restrictive measures to protect mining employment in the US. The group of eleven producers appealing to the ITC had chiefly complained of the Chilean government-owned copper industry (claiming last year nearly 56 percent of the copper import market), and had requested a reduction in global percentile quotas. Canada, however, under the requested quota would actually have received a percentage higher than its recent export sales to the US, although the figures are expected to rise, according to the US Department of Commerce (*Globe and Mail*, September 8).

President Reagan, in his decision to reject the ITC recommendations and refuse to impose restrictive measures, reportedly felt that any such measures would raise prices and threaten more jobs in the industry than would be saved. The Canadian copper industry welcomed the decision, seeing a possible negative effect on copper pricing had the measures been instituted. Quotas, according to industry spokesmen, would also have dampened the prospect for reopening Canadian mines now inoperative, thus hampering the ability to cope with any future surge in US demand.

Garrison Diversion

Presidential commission hearings into the future of the Garrison Diversion Project in North Dakota, a project strongly objected to by the Canadian federal and Manitoba provincial governments, continued during September (see "International Perspectives" for June and July 1984 — US — Garrison Diversion). The commission has until the end of the year to reach a decision on whether to recommend alterations to the irrigation scheme (requiring a two-thirds majority). While North Dakotan government officials and farming representatives called for a continuation of the project as planned, a spokesman for the US conservation group the National Audubon Society, told the commission that the project would benefit less than 1 percent of the state's farms (*Globe and Mail*, September 11). The Society's spokesman, Nathaniel Reed, supported Canadian claims by stating that the plan "as authorized and designed" would violate the Canada-US Water Boundaries Treaty, and would destroy existing fauna patterns through "tremendous environmental damage." Mr. Reed suggested that the commission recommend a new project plan, "free of political direction and influence." He bolstered the Canadian argument against continuation of the diversion as it stands by saying that the US government agency (the Bureau of Reclamation) responsible for construction was "not being responsible to Canadians" in its suggestion that the project can be halted at various stages in future. Noting that no phase of the project could effectively stand alone "economically or functionally," Mr. Reed indicated that the agency's claims were merely an attempt to "avoid confronting Canadian concerns." While federal funding for the project has been frozen until such time as the commission formulates a decision, the Lonetree Reservoir section has now reached a completion stage of 10 percent.

Envi
not |
soul
age
tran:
of N
Man
nativ
"dea
avoi
(Glo

Univ
ject
point
com
its b
point
itself
ronn
scop
tinu
spee
and
side
diate
diffe

Coo

leas
pric
the
men
that
ces
Ric
Pue
exp
198
diar
con
the
con
Car
Ma

sug
car
ten
ans
dis
tere
ma
pro
ber
fin

Jo

Fox