

it was considering referring its complaints to the dispute settlement mechanism of the GATT, which it has subsequently done.

Both Canada and the USA took advantage of multilateral meetings or agreements in efforts to resolve a number of outstanding bilateral trade and investment issues. Canada held consultations under the GATT with the USA on the US import restrictions on uranium. A GATT panel upheld Canada's case against the US 1979-80 embargo on imports of Canadian tuna. Canada referred to a GATT panel the US use of a discriminating adjudication procedure for imports in cases of alleged patent infringement. The USA raised in the OECD the Canadian exceptions to national treatment contained in the NEP.

Transportation

In the transportation area, negotiations began in 1981 towards a new bilateral air agreement. Canada also attempted to ensure that US deregulation did not have an adverse impact on Canadian railway and trucking interests and to prevent legislation to extend US regulatory control over American cargoes passing through Canadian ports. The St. Lawrence Seaway tolls were renegotiated.

Extraterritoriality

A continual cause for concern for Canada has been attempts by US government and regulatory agencies to exercise jurisdiction over persons, property and events in Canada. Congress also introduced laws which sought to extend US jurisdiction extraterritorially. With the close interrelationship of the Canadian and US economies, situations have arisen in which US law has been in conflict with Canadian law and interests. It appeared that one major extraterritorial irritant, the civil anti-trust actions brought by private litigants against Canadian uranium producers in US courts, had moved towards final resolution through out-of-court settlements. Legislation (Bill C-41) was introduced in Parliament in July 1980 aimed at protecting Canadian citizens and corporations from extraterritorial rulings of foreign tribunals.

Taxation and social security

The bilateral Tax treaty, signed in 1980, underwent US Senate scrutiny but was not ratified pending further negotiations on modifications relating in particular to the treatment of real estate capital gains. During President Reagan's visit in March the Canada-US social security agreement was signed, providing for portability of benefits. Before coming into effect, the agreement must be ratified by both sides, a process which, owing to certain technical difficulties, is not expected to be completed until 1983.

Defence

Two major events in bilateral defence relations were the renewal of the NORAD agreement and the reaffirmation of the Canada-US defence