

be watching Canada's new steel export monitoring system with interest to see what it showed, he added, but the US industry was nevertheless anxious to see controls placed on Canadian shipments. "Canada has grown both in quantity and share in the [US] market in the last two years. It's not something that can be overlooked. It's there. It's big."

On June 15 the *Ottawa Citizen* reported that US Commerce Department figures showed that Canadian steel shipments to the US in April 1987 were 20 percent higher than in April 1986. The report said that, while the AISI claimed that these figures proved the need for controls on Canadian exports, a Canadian industry spokesman countered that the surge indicated a strong demand for steel in the US. The *Globe and Mail* reported on June 16 that Canadian steel shipments to the US were down in April from March, but that the AISI continued to view non-VRA exporters — Canada, Sweden and Taiwan — as the main villains in the US steel industry's eyes.

After so-called "flash" figures for May were released by the Canadian government, indicating a further drop from April, Canadian Steel Producers Association spokesman Dan Romanko said, "The most important thing about the figures is for the last two months they're on a downward trend. I think that trend is going to continue, and as a matter of fact accelerate. So I think the numbers are going to be considerably lower as the summer wears on" (*Globe and Mail*, June 17).

The US Department of Commerce figures for May confirmed that shipments were down from April, but Dan Romanko said that the US figures were too low, and that "makes me a little bit wary because they tend to catch up in the next month," and another "blip" caused by delayed reporting in the US could renew already vehement demands for Canada to sign a VRA on steel imports. The US figures also showed that most of the increase in imported steel's US market share was from non-VRA traders (*Globe and Mail*, July 16).

On July 16 US President Ronald Reagan announced the extension of the import relief program for stainless and alloy tool steel until September 30, 1989. The program had been in place since July 1983, in the form of additional tariffs on imports of specialty steel products. The Canadian government expressed disappointment with Mr. Reagan's decision, calling the action "unwarranted, particularly in view of the fact that US specialty steel producers have benefitted from such measures for seven out of the last ten years . . . more than enough time to adjust to international conditions with respect to these products." International Trade Minister Pat Carney was to raise the issue at a meeting with US congressmen in Ottawa on July 30 (International Trade communiqué, July 20).

Finally, the first figures resulting from the Canadian government's new steel export monitoring program were released in late July. The *Globe and Mail* reported on July 23 that in June 1987 Canada shipped 304,980 tons of steel to the US — 3,840 tons in the form of fabricated structural steel pieces (excluded from import controls) and 4,267 tons under temporary import bonds to be processed in the US and returned to Canada, leaving 296,873 tons of a type that were of concern to US Department of Commerce and the

US steel industry. Michael Virr, an international trade officer with the Department of External Affairs, said that the figures for steel of Canadian origin were firm, but that the figure for steel of foreign origin was approximate "because of some technical problems and teething problems in producing these reports." The following month's report, he said, would include a firmer tally of foreign-origin steel shipments. The closeness of the June figures to the June "flash" figures released by the government left steel trade officials confident that the new monitoring program was working, he added.

Clark-Shultz Meeting

External Affairs Minister Joe Clark and US Secretary of State George Shultz met on July 2 in Windsor, Ontario and Detroit, Michigan. The quarterly meeting marked national holidays in both countries, and joint festivities were held. Topics touched on included Canadian Arctic sovereignty, Canada's new defence policy, international agricultural trade, the free trade negotiations, and acid rain. In a speech to the Economic Club of Detroit on July 2, Mr. Clark said that environmental disputes, such as those over the Detroit incinerator and acid rain, were threatening to harm Canada-US relations. "Acid rain is not an equal opportunity destroyer. It threatens our economy and our health more than yours," he said. Mr. Shultz expressed optimism regarding the free trade talks, saying that while "success is not assured . . . we are optimistic that we will be able to conclude a draft agreement which advances the economic interests of both countries and present it for congressional and parliamentary review in early October." Later Mr. Shultz told a luncheon audience that the US was considering Canadian proposals for an acid rain accord, but he did not elaborate (*Windsor Star*, July 3).

Acid Rain

Ontario's Environment Minister Jim Bradley had strong words on the acid rain issue at the beginning of June. Mr. Bradley told an American Bar Association conference in New York that acid rain from the US was a form of "undeclared chemical warfare . . . Canada has put in place a plan to cease firing," he said, "but we want the truce to be mutual . . . I come here as a friend of America and a foe of acid rain. Canadians are as pro-American as anyone you'll find, but friends are allowed to criticize one another." Mr. Bradley accused the US of "hiding behind endless research" and US leaders of lacking "the political will to make the polluters" use existing cleanup methods. The "single biggest spender among those who lobby Congress for favors is a coal industry and electric utility that spent (US)\$3 billion last year to fight pollution controls," he said. Ohio utility commissioner Ashley Brown, who was speaking from the same panel, said that his state, one of the largest producers of acid rain-causing pollution, had no intention of moving quickly to clean up. "Technology cannot be forced," he said (*Toronto Star*, June 6).

The US Supreme Court refused on June 8 to order the US Environmental Protection Agency (EPA) to order emissions controls in midwestern states. The justices rejected