

- After nine years of persistent pressure from the most senior levels in Canada, Congress is poised to pass clean air legislation which includes effective acid rain controls acceptable to Canada. Negotiations on a Canada-United States bilateral accord are proceeding with completion expected by the end of the year.

- Congress passed the 1990 farm bill. The main feature of interest to Canada is a 25% reduction in subsidies to U.S. agriculture (as part of the budget), a good part of which will occur in the grains sector. U.S. export subsidies, pending the results of the Uruguay Round, however, will remain high.

- Maritime legislation affecting longshore work is likely to pass Congress. As a result of strong Embassy representations, the language has been modified to meet some Canadian concerns.

- Legislation to allow the regional Bell operating companies to manufacture equipment will probably not pass Congress. The Embassy has protested discriminatory provisions in the bill which are inconsistent with the FTA and the GATT.

- Legislation to require the aggregation of existing data on foreign investment and the broader sharing of this information by government agencies has cleared Congress and

seems likely to be approved by the President. Embassy efforts to ensure protection for commercially confidential information were successful.

- Legislation to reregulate the cable television industry is virtually dead this session of Congress.

- A House/Senate conference has agreed on revisions to the Export Administration Act to liberalize export control licencing. Despite Embassy opposition, the bill also includes Cuba sanctions which would block sales to Cuba by U.S.-owned Canadian companies. The Administration objects to several provisions which may prompt a Presidential veto. Canada is considering imposing blocking orders under the Foreign Extraterritorial Measures Act.

- On October 10, a House vote fell short of the two-thirds margin needed to override the President's veto of the Textiles, Footwear and Apparel Act.

- Defence spending legislation exempts two projects of Canadian interest (air defence anti-tank system and the Canadair CL227 unmanned air vehicle system) from major expenditure cuts. However, provisions that preclude Canadian participation in such procurements as naval anchor chain and electrical circuit breakers are included.

- The 101st Congress is expected to adjourn immediately upon passage of the budget. Congressional elections, involving all 435 House seats and one-third of the Senate, will take place on November 6, with the first session of the 102nd Congress scheduled to commence in January, 1991

In the Administration...

- The Embassy is working for an affirmative decision on the Iroquois natural gas pipeline to be reached by the Federal Energy Regulatory Commission by November 28.

- On October 19, four of the five million barrels authorized to be released from the U.S. strategic petroleum reserve were sold for November delivery. Eleven companies were chosen to participate. In this test sale, bids ranged from \$27.85 to \$39.06 per barrel.

- The Federal Elections Commission has scheduled hearings for October 30 and 31 on a proposed rule to prohibit foreign-owned U.S. based companies from establishing Political Action Committees (PAC's). A similar proposal by Senator Bentsen, Chairman, Senate Finance Committee, remains included in campaign financing reform legislation.

Need More Information?

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

The main Embassy phone number is: (202) 682-1740.

FTA & Trade Policy

William Dymond, Minister-Counsellor, ext. 7334

Economic Policy

Philip Somerville, Minister-Counsellor, ext. 7427

Congress

Jonathan Fried, Counsellor, ext. 7344

Trade Development

David Ryan, Minister-Counsellor, ext. 7742

Environment

Ross Glasgow, First Secretary, ext. 7736