

US ambassador Thomas Niles said on November 7 that the Canadian government could not realistically expect the US to stop penalizing subsidized Canadian imports as part of a freer trade agreement. He said the US would likely agree to a non-binding procedure for negotiating settlements to trade disputes, but would want to remain free to investigate trade practices and impose punitive duties when negotiations failed to solve a specific problem (*Globe and Mail*, November 8).

In a November 9 speech to a Hull, Quebec business audience, Prime Minister Brian Mulroney expressed his confidence that the Democratic victory would not harm the free trade negotiations. "I can assure you we are going to follow through and I'm satisfied we are going to conclude a new trade deal that will be very good for Canada and for the United States," Mr. Mulroney said (*Globe and Mail*, November 10).

After the first day of the sixth round of negotiations, which began in Ottawa on November 12, Canadian negotiator Simon Reisman said that he would not be so "stubborn" as to ignore US proposals for changes in the auto pact that would increase Canadian production and employment. And US negotiator Peter Murphy said that the auto pact was "something the United States is very interested in and we certainly want to look at all the facts on it" (*Ottawa Citizen*, November 13).

At the end of the sixth round of talks, Mr. Murphy said that Canada would have to make "very meaningful concessions" at the bargaining table if it wanted to break from protectionist US trade laws. Mr. Reisman agreed, saying that getting the US to curtail some of its countervail power was "central to the negotiation," and that Canada could no longer expect to continue subsidizing industry if it wanted to escape US trade laws (*Ottawa Citizen*, November 15).

The final preliminary round of the talks was to take place before Christmas in Washington.

On November 19 International Trade Minister Pat Carney told a New York business audience that an energetic sales pitch from US business leaders could help stem rising protectionist pressures in the US. "Despite President Reagan's continuing support for trade liberalization and recent evidence that the US trade deficit is declining, protectionism appears to be gaining ground in the US. . . . Your problem is not with us," the Minister said (*Globe and Mail*, November 20).

Acid Rain

During the week of November 3 the governments of Ontario and eight northeastern states filed petitions with the US Court of Appeals for the rehearing of a case which had struck down an order to the US government to force acid rain curbs in seven states.

The September ruling was called "a legal and ecological disaster of major proportions" by New York and six other states in their petition. Ontario and Maine told the court that the ruling undermined US pollution law, was inconsistent with a previous ruling, and was based on a harmless procedural error.

The lower court ruling which had been struck down would have required reductions of sulphur dioxide emissions from coal-fired electrical power plants and other sources of acid rain-producing chemicals.

A new ruling was expected in December (*Globe and Mail*, November 12).

Detroit Incinerator

The *Globe and Mail* reported on October 24 that the Canadian government had told the US government that pollution control equipment planned for a huge Detroit incinerator was inadequate. At a meeting in Washington, said Jim Wright, head of the Canadian embassy's environmental section, the US Environmental Protection Agency (EPA) was told by the Canadians that the US was expected to meet its international obligations to ensure the incinerator would pose no environmental or health threat to Canadians.

Mr. Wright said that the incinerator lacked equipment to curb emissions of dioxins, acids, carbon monoxide and particulates. The EPA had dropped its legal efforts to revoke the incinerator's construction permit when it became apparent that the agency had missed several opportunities for ensuring emission control standards before the permit was granted.

Canadian and US officials were waiting for a US Federal Court written ruling to determine the extent to which the EPA's hands were tied over the issues, the report said.

Hazardous Wastes

The *Ottawa Citizen* reported on November 6 that a five-year agreement on trans-boundary shipment of hazardous wastes had been signed on October 31 in Ottawa by Environment Minister Tom McMillan and EPA administrator Lee Thomas. The accord compelled each country to give written notice before sending toxic chemicals across the Canada-US border; the notified nation would have thirty days in which to object to the shipment.

Niagara River

On October 29 the *Ottawa Citizen* reported that agreement on a plan to clean up the Niagara River had been reached by the governments of Canada, the US, Ontario and New York. Environment Minister Tom McMillan said that despite the river's international renown as a symbol of toxic waste's impact, firms in Canada and the US were still polluting the river. All four governments accepted the need for action on the Niagara, the Minister said.

Water

At a Science Council of Canada hearing on Canadian water policy, Peter Rogers of Harvard University said that Canada should trade "water futures" for US guarantees to take action on acid rain and other environmental issues. But Peter Pearce, former chairman of the inquiry, said that he opposed trading water for a US pollution cleanup. "Buying off the Americans on acid rain. . . would create a morass" which could be costly to Canada, he said (*Globe and Mail*, November 5).