

ment of Americans in Canadian regulatory practice and that the US measures are entirely unjustified. In his announcement the President instructed the US Trade Representative to report back to him in sixty days after discussions with Canada. Mr. Lumley said: "Canada is always ready to have discussions with the US. However, we will not accept as a basis for these discussions either unfounded allegations concerning Canadian regulatory practice or any unilaterally conceived form of reciprocity."

At a Halifax meeting September 23, the Council of Federal and Provincial Ministers Responsible for Transportation and Highway Safety expressed grave concern over the "unwarranted and unacceptable" US measures. The Ministers agreed to defer any action in response to the US measures until after the sixty-day period in which the ICC will be reviewing Canadian applications. The Council of Ministers "expressed the hope that this crisis will be satisfactorily resolved by the US government and stressed its strong support for the principle of maintaining equitable treatment of all carriers under the respective laws which obtain in each jurisdiction" (External Affairs press release, September 24).

Bombardier Subway Contract

Preliminary findings of the US International Trade Commission (ITC) announced August 3 were that a US industry might suffer economic injury because a Canadian company, Bombardier Inc., won a contract with New York City's Metropolitan Transit Authority (MTA) to build 825 subway cars for that city. The subway contract has been the subject of several investigations centering on complaints from a US company and a union that a cut-rate loan from Canada's Export Development Corporation to MTA had been unfair to US companies competing for the contract. (See *International Canada*, June and July.)

The preliminary determination by the ITC, according to an August 4 *Globe and Mail* article, meant that the ITC and the US Commerce Department would continue investigations that could result in countervailing duties being imposed on the subway cars.

In an article appearing in the *Globe and Mail* August 20, MTA Chairman Richard Ravitch repeated his company's claims that the Bombardier offer had been superior to competing ones on all counts—quality, price, financing terms and New York State-manufactured content in the cars.

Great Lakes Pollution

A report by the International Joint Commission (IJC), made public in August, pointed out several areas of concern regarding the pollution of the Great Lakes. The IJC is a Canada-US agency which investigates and helps settle boundary, lake and river disputes between the two countries. It was the agency's first report on Great Lakes pollution in four years, and dealt with the 1978 Great Lakes Water Quality Agreement.

The report stated that, "The Great Lakes ecosystem suffers from widespread contamination, and the lakes are a major sink for such substances. . . . The surrounding population is exposed to toxic and hazardous substances through a variety of pathways" (*Globe and Mail*, August 17). The IJC said that it is less able to monitor such pollution because of US budget cuts and the increasing political

ties of the US scientific advisers. It asked the Reagan Administration to review its proposed budget cuts so that international obligations to clean up the lakes will not be jeopardized. Both the Canadian and US governments were criticized in the report for their failure to create a priority list of toxic substances on which action should be taken.

Other major concerns cited in the report were the failure of both countries to meet their 1980 goals of setting new phosphorous levels for the lakes, and US unwillingness to designate "limited-use zones" in sensitive areas to restrict industrial municipal sewage (*Globe and Mail*, August 17).

In a letter to the editor published in the *Globe and Mail* September 2, External Affairs Minister Mark MacGuigan wrote that Canada had brought its concern "in forceful terms to the attention of the Reagan Administration and [had] urged them to ensure that they are able to implement fully their obligations under the 1978 Great Lakes Water Quality Agreement." Mr. MacGuigan was responding to editorial charges that Canada was waiting for the US to take the lead in action against the pollution. He mentioned the recent Canada-Ontario Agreement (COA) which "requires the two Canadian parties to continue to maintain their clean-up efforts at the high levels attained during the 1970s." The agreement provided for a strengthening of control over "non-point source pollution, an increase in monitoring of toxic substances and completion of an ambitious program of municipal sewage plant construction to control phosphorous pollution," Mr. MacGuigan said.

In an August interview, US Environmental Protection Agency (EPA) administrator Anne Gorsuch said that a major objective of the Reagan Administration in the environmental field was "to do an even better job with fewer resources," and that market forces and private sector initiatives would enhance government efforts increasingly. A major function of the EPA, she said, was to provide good scientific understanding of the problems (US Embassy text, August 13). This agency had already issued a report in July which claimed that the Love Canal chemical-waste dump in Niagara Falls, NY, had been "contained," and recommended some repopulation of the neighborhood. These findings had been questioned in the House of Commons on July 23. (See *International Canada*, June and July 1982.) On September 7, Environment Canada released a report which said that the US report "does not provide the necessary confidence to conclude one way or the other that contaminants from Love Canal are not migrating through the bedrock aquifer (water table) to the Niagara River now or will not do so in the future." A newspaper article said that the Environment Canada report "makes it clear that the US is not living up to the 1978 Great Lakes Water Quality Agreement, which states that the discharge of toxic chemicals to trans-boundary waterways must be eliminated."

Acid Rain

The head of the US Environmental Protection Agency, Anne Gorsuch, explained to a US reporter in August what that agency was doing to address the problem of acid rain. She said:

The American people are investing an enormous amount of money in trying to come to grips with