

cheap credits, the newspaper report stated. These comments were later called "off-the-cuff" by Mr. Block's assistant secretary, who said "we're not calling for a trade war with Canada. Canada has expressed a willingness to cooperate" (*Globe and Mail*, June 14).

Canadian Wheat Board Minister Senator Hazen Argue had met with Mr. Block in late May. Sen. Argue had told Mr. Block that the Wheat Board had no intention of cutting back wheat production in Canada, because the US had caused the oversupply and because cutbacks in Canada would have little effect on world trade, according to the *Globe and Mail* report.

Trucking Dispute

A trucking dispute between Canada and the US prompted Canada to make an "unprecedented" request to US President Ronald Reagan in July. A "strongly worded" diplomatic note was sent to the US State Department asking that the President veto proposed US legislation calling for a two-year moratorium on licences for Canadian trucking companies operating in the US. The proposed moratorium is a retaliatory move resulting from claims that the highly regulated Canadian trucking industry discriminates against US applicants for licences to operate in Canada. The US had been deregulating its trucking industry, which opened the door for Canadian companies to get hauling rights in the US.

Canada's "diplomatic note" called the US reciprocity proposals "unnecessary, unwarranted and potentially harmful to international commerce," according to a *Globe and Mail* article July 21. A Canadian embassy official in Washington had told reporters that the note requesting a presidential veto was the "first time Ottawa has asked a US president to override Congress." The US Senate had passed the legislation, and it was expected to be approved by the House of Representatives as well.

On July 23 it was reported that Alberta trucking companies wanted Canada to retaliate by imposing the same restrictions on US carriers planning expansion in Canada if the US proceeds with the moratorium. A spokesman for the Alberta Trucking Association claimed that more US companies have Alberta-US rights than Alberta carriers with authority to operate in the US (See "International Canada," April and May in *International Perspectives*, July/August 1982).

US Cable Ownership Bill

The US Senate Commerce Committee passed a bill July 23 which would, if it becomes law, give the US Federal Communications Commission the power to restrict new Canadian ownership in cable companies, as long as Canada maintains present laws requiring eighty percent Canadian ownership of its cable industry. Canadian ambassador Allan Gotlieb met with the bill's sponsor, Republican Senator Barry Goldwater, July 27, to urge him to give consideration to the whole communications trade before proceeding with the reciprocity proposals. "The point I tried to make is that you can't look at this situation in terms of law-for-law and hold up a mirror to each law," Mr. Gotlieb told reporters (*The Citizen*, July 28). Sen. Goldwater did not change his mind, Mr. Gotlieb said. According to the July 28 article, "Should the US proposals become law, a potential multi-million-dollar market for Canadian cable television

operators would be at stake. American estimates are that fewer than thirty percent of US homes are wired for cable — compared with seventy-three percent in Canada — and Canadian cable operators are hotly pursuing US cable franchises."

Capital Outflow

"The over-all effect of foreign direct investment since 1976 has been responsible for a net outflow of capital from Canada," an official from the Canadian Institute for Economic Policy told reporters June 18 (*Globe and Mail*, June 19). Abraham Rotstein was speaking of findings contained in a study which "suggest that cash-starved US parent companies are damaging an already weak economy by siphoning funds out of Canada through their subsidiaries." The study, not released at the time, reportedly showed that parent firms had drained \$1.5 billion from their Canadian manufacturing industry between 1976 and 1980, and that this practice was increasing. The government had been under pressure to weaken the Foreign Investment Review Agency and the National Energy Program to allow more foreign investment in Canada. Mr. Rotstein told reporters that his would be "addressing the wrong issue" (*Globe and Mail* and *The Citizen*, June 19). (See this issue, POLICY — Trade/Economic.)

Bomb Spill on Alaska Highway

A US truck rolled off the Alaska Highway in northern BC on June 3, dumping forty US Air Force bombs onto the highway. This drew criticism from Conservative MP Frank Oberle (Prince George-Peace River) the next day. He told the House of Commons that it was "incredible that our military authorities were not informed of these shipments." The cleanup operation was done by a US military team without the knowledge or consent of the Canadian military, Mr. Oberle said. Defence Minister Gilles Lamontagne responded that the bombs were routine shipments, and had passed through Canadian customs with the necessary permits. All the munitions were properly crated and equipped with safety pins, the Defence Minister said. Both Mr. Lamontagne and Mines Minister Judy Erola promised to investigate the accident.

International Joint Commission Vacancy

The government was criticized in the House of Commons on several occasions in June and July for not making an appointment to the International Joint Commission (IJC), the Canada-US agency which investigates and helps settle boundary, lake and river disputes. There had been three US commissioners, but only two Canadian commissioners for the past year-and-a-half. This concerned both opposition parties, who believed Canada needed a "strong voice" on the Commission because so many crucial issues affecting Canadian and US boundary waters were being discussed.

Great Lakes Pollution

Obligations under agreements signed in 1972 and 1978 which committed both Canada and the US to a major Great Lakes cleanup have not been met by the US, Environment Minister John Roberts said in July. Mr. Roberts, and Ontario Environment Minister Keith Norton, blamed