

the U.S. industry in cases under Canadian trade law if Canada is drawn into U.S. investigations. Under the FTA, producers in both countries retain their right to request unfair trade cases, however, the results are subject to an appeal to a binational panel. In the House of Commons, Minister Wilson said, "These are actions which are initiated by the industry. We cannot stop what industry wants to do. We can make our views known, and these views have been made known very, very clearly".

● On June 5, a draft countervailing duty suspension agreement on magnesium from Canada was reached with the Commerce Department. Under the agreement, the preliminary duty of almost 33% will not apply. The draft agreement confirms that Hydro Quebec electricity contracts that contain risk and profit sharing provisions are not necessarily countervailable under U.S. trade law. The suspension agreement must be finalized by July 6. The antidumping case continues with a final Commerce Department decision due by the same date.

● On June 24, the GATT adopted a panel report sustaining Canada's complaint that sixty U.S. federal and state measures on beer are contrary to the GATT. Canada will press hard for early implementation of the findings. Canada-United States consultations continue on the implementation of the agree-

ment in principle regarding Canadian provincial distribution and marketing practices for U.S. beer.

● On June 17, U.S. Secretary of Transportation Card unveiled a 16 point plan to revitalize the U.S. merchant fleet involved in international trade. The policy, supplemented by legislative, regulatory and administrative action, is designed to enhance American industry competitiveness and efficiency of international shipping services. At the same time, Card reaffirmed the "integrity" of the Jones Act and signalled the Administration's intent to enforce existing U.S. cargo preference requirements. The plan has been well received domestically and legislation is expected to emerge, and possibly pass, in the current congressional session.

IN THE CONGRESS

● The Trade Expansion Act of 1992 is expected to come to a vote shortly in the House, following which the Senate may take up trade legislation. The trade bill mandates punitive trade action if the United States unilaterally decides that its trade interests are being damaged by another country. The bill would also tighten the already restrictive U.S. antidumping and countervailing laws. Additionally, the bill would increase U.S. tariffs on a range of products. By virtue of the FTA, Canada is exempt from all of these

protectionist provisions. The Embassy continues to argue that provisions for end use certificates for imports of wheat from Canada are inconsistent with the FTA. The administration has signalled its intent to veto the legislation should it emerge from Congress.

● The tax package associated with the House-approved national energy legislation awaits adoption by the Senate before it is sent to a House/Senate conference during the summer. The Embassy will continue to press Canadian concerns with earlier passed Senate provisions regarding uranium and alternative fuels.

TRADE DEVELOPMENT

● Canadian construction materials companies showcased their products at the Embassy on June 9. The trade show attracted a large crowd of architects, manufacturers and other potential customers in the Washington, Maryland and Virginia area.

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Need More Information?

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

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