

Prittle, and Northern Pipeline Agency head Mitchell Sharp, was in Washington, DC, in mid-July to lobby for a US government reversal on an impending gas regulation that could significantly affect Canadian gas exports to the US. Canadian ambassador Allan Gotlieb had previously raised the case with the US administration in late June. The regulation, to take effect July 31, would prevent US utilities from transferring to customers the cost of unneeded gas purchases required under existing contracts with gas suppliers (including Canadian suppliers), according to a *Citizen* report July 12.

The regulation was seen by the Canadian government and gas producers as providing a means for US utilities to circumvent contracted supplies of Canadian gas. For this reason, the Canadian delegation argued its case for a reversal or a delay in the implementation of the regulation before the US Federal Energy Regulatory Commission. Canada, while not arguing against the intent of the regulation, has expressed its concern (the National Energy Board writing directly to the Commission) about the "vaguely worded" nature of the ruling.

A spokesman for the National Energy Board noted that one possible consequence of a passing of the regulation as it stood would be a negative effect on the development of a more flexible export price for Canadian gas, with lower export volumes removing the incentive for a lowering of Canadian prices (often considered high on the US market). Another adverse effect might be a slowing of progress on the pre-build section of the Alaska Highway gas pipeline. The present Canada-US agreement for the line's construction guarantees a minimum level of revenue, and with the new gas regulation, US purchasers might foreseeably renege on purchase contracts from Canadian suppliers. However, Canadian officials remained optimistic that the Commission would agree to reconsider the ruling.

Media Awareness

Speaking at a Canadian Public Relations Society conference in Ottawa July 5, Canadian ambassador to the US Allan Gotlieb spoke of an increasing awareness of Canadian issues on the part of the American media. (Opposition Leader Brian Mulroney had earlier touched on the same topic of US media awareness in a speech delivered in May; see "International Canada" — US — Comments of the Opposition Leader, April and May 1984.) Ambassador Gotlieb cited various factors which had tended to alter the past "erratic and stereotyped" US media coverage of Canada, including the upcoming Canadian federal election, the recent Liberal leadership convention, Conservative leader Brian Mulroney's US visit, and former Prime Minister Pierre Trudeau's peace initiative. He noted that while Canada was enjoying a period of publicity in the US, which elicited an increased interest in Canadian issues, there were no indications that the interest would remain. While Mr. Gotlieb acknowledged that the US government had, in the past, recognized the importance of Canada with an increased number of Canadian-interest officials within the bureaucracy and among lobbying groups, he pointed out that US media coverage had tended to stereotype Canadian issues. "They have tended to ignore us because they don't think we are foreign. They expect us to behave like

Americans," he added. Mr. Gotlieb also stated that recent modifications to the controversial (in the eyes of American officialdom) National Energy Program and the Foreign Investment Review Agency had tended to further improve bilateral relations between the two countries (*The Citizen*, July 6).

Disputed Ownership of Island

On June 28, the US State Department issued a formal note of protest to the Canadian government over an incident in which two RCMP officers were landed by helicopter June 18 on the small Machias Seal Island off the coast of Maine, claimed by both Canada and the US. The landing was reported by a US charter boat captain, who charged that the landing disrupted his birdwatching excursion and resulted in the deaths of several rare birds. Republican Senator William Cohen of Maine was reported as stating that the protest note included a suggestion that the two countries establish a process of discussion to achieve a resolution of the ongoing dispute as to ownership of the island. The State Department intended "to pursue this matter and to seek a resolution to the dispute," said the Senator. The US had laid claim to the island on the basis of early treaties defining the northeast boundaries of the nation, including the 1788 Treaty of Paris and the 1816 Treaty of Ghent (*The Citizen*, June 29).

Canada also had laid claim to the island through the same treaty of Ghent, and designated the island a national bird sanctuary in the mid-1970s. At the present time, two Canadian lighthouse keepers and a wildlife official maintain a Canadian presence on the island. With regard to the June 18 landing, Canadian officials countered that the RCMP officers were merely on a "routine" wildlife patrol enforcing bird protection laws endorsed by both nations, the *Citizen* article continued. Canada had sought to limit the number of visitors to the island, increasingly popular for birdwatching because of its breeding Atlantic Puffins and Arctic Terns, under existing bilateral wildlife laws.

Sectoral Free Trade

Speaking before the annual meeting of the Canadian Importers' Association in Toronto June 28, Gary Anderson, deputy assistant secretary for the US Commerce Department, touched on the likelihood of a positive outcome to continuing negotiations on sectoral free trade between the US and Canada, especially in the area of agricultural equipment (see "International Canada" for April and May 1984). The introduction of free trade between the two countries in selected industries had received much attention in the recent past, with the US and Canada endeavoring to remove or reduce duties and non-tariff barriers in these areas. Mr. Anderson noted that while the chances for an agreement in the agricultural equipment sector were "considered very good," the sectors of mass transit and communications were less likely to receive a conclusive resolution in the near future. He noted that little change in US legislation would be required to successfully introduce free trade in the agricultural equipment field, and that the US had no government domestic-purchase requirements for such machinery. Complicated legislative changes in both the US and Canada would, on the other hand, have to