



●Draft legislation, supported by the Administration, to amend the Export-Import Bank Act to permit loan guarantees and insurance for commercial military export sales, faces serious opposition from industry and Congress. U.S. industry is concerned that the use of EXIM Bank financing for military sales will reduce its availability for civil commercial exports. Since EXIM Bank support could be applied to sales to developed countries under the proposal, Canadian companies would face increased competitive pressure from U.S. exporters in the world market.

IN THE GATT

●Following unsuccessful consultations with the United States, on April 24 Canada requested the establishment of a GATT dispute settlement panel to confirm that U.S. federal and state practices discriminate against Canadian beer, wine and cider in violation of the GATT. The United States blocked the request, claiming that it needed more time. The request will be considered again in May at the next meeting of GATT member countries.

●Canada made its first submission on April 11 to the GATT panel established to examine U.S. complaints into the practices of Canadian provincial liquor boards.

●On processed pork (subsidies), the United States continues to refuse to adopt the GATT panel report which upheld the Canadian position. In a strongly worded statement to a meeting of GATT member countries on April 24, Canada condemned the U.S. intransigence. The U.S. position has absolutely no justification under the GATT and contradicts the U.S. stance in the Uruguay Round negotiations to improve GATT dispute settlement procedures.

IN THE ADMINISTRATION

●Following revised provisions on longshore work contained in immigration legislation passed last year, the U.S. State Department is proposing a regulation to identify countries which prevent U.S. crews from handling cargo in their ports. Inclusion of Canada on the list would require the use of U.S. longshoremen by our shippers using U.S. ports. The Embassy provided information to the State Department to show why Canada should not be on the list of offending countries.

●On April 26, the U.S. Trade Representative released the annual list of countries which, in the Administration's view, infringe intellectual property standards. Along with 22 other countries, Canada appears on the "Watch List" (lowest category), as it has in the last two years, principally due to U.S. concerns about Canadian pharmaceutical patent policy. For the first time, the Administration identified countries in the highest category by listing China, India and Thailand.

WORLD BANK

●The World Bank will soon issue the first list of environmental projects for funding under the \$1.5 billion global environment facility (GEF). The first group of about 30 projects is valued at more than \$200 million. The GEF is a pilot program to provide grants to developing countries for projects protecting the environment, with funds administered directly by the World Bank and the United Nations Development Program (UNDP). Interested Canadian companies should make themselves known to the project officers in the World Bank and the UNDP and can obtain general information from the Embassy.

Need More Information?

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

The main Embassy phone number is: (202) 682-1740.

FTA & Trade Policy

William Dymond, Minister-Counsellor,
ext. 7334

Energy

Jean-Pierre Gumbay or
Margaret Martin, Counsellors,
ext. 7741 and 7506

Economic Policy

Philip Somerville, Minister-Counsellor,
ext. 7427

Congress

Jonathan Fried, Counsellor,
ext. 7344

World Bank

Astrid Pregel, Counsellor,
ext. 7719

Trade Development

David Ryan, Minister-Counsellor,
ext. 7742

Environment

Ross Glasgow, First Secretary,
ext. 7736