



news release

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NEW U.S. "MACK AMENDMENT" WILL BE BLOCKED

The Secretary of State for External Affairs, the Right Honourable Joe Clark and the Attorney General of Canada, the Honourable Kim Campbell, said today that firm action will be taken to counteract a renewed attempt by the U.S. Congress to restrict trade with Cuba by U.S.-owned subsidiaries resident in Canada.

A measure was introduced in the U.S. Senate which, if passed into law, would prevent the issuance of any licences for trade with Cuba and therefore make it unlawful for any U.S. subsidiary abroad to trade with Cuba even in goods of local origin. This measure is part of the *Export Administration Act Amendments of 1991*.

In October 1990, the U.S. Congress passed a bill with an identical provision, referred to as the "Mack Amendment." Its application in Canada was blocked immediately by an order of the Attorney General of Canada under the *Foreign Extraterritorial Measures Act (FEMA)*. Subsequent to this action and strong diplomatic representations by Canada, President Bush vetoed the bill and the Mack Amendment did not become law.

Ms. Campbell said that she would not hesitate to block the application of the new legislation to Canada through a fresh order. "Last year, with the concurrence of the Secretary of State for External Affairs, I issued an order respecting an identical provision in U.S. legislation to protect Canada's sovereignty. If the U.S. Congress passes this law, I shall take action again for the same reasons."

Mr. Clark said, "Canada's opposition to last year's Amendment was supported by President Bush's veto. We are therefore disappointed that this measure has been reintroduced in Congress. I hope members of Congress will reflect on the unacceptable nature of this extraterritorial application of American law in Canada. Let there be no doubt that Canada intends to block compliance with this measure by Canadian firms."

The Canadian Embassy in Washington will be making representations to the U.S. Government and Congress in the days ahead.

An order under FEMA could prohibit any person or corporation in Canada from complying with any U.S. measure to prevent trade between Canada and Cuba, and require them to report to the Attorney General any directives or instructions relating to such a measure.

Since 1963, Canada has rejected attempts by the United States to regulate trade with Cuba by Canada-based companies. Parliament passed FEMA in 1984 to counter the adverse effects of extraterritorial application of foreign laws to Canada's international trade or commerce.

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