

# United States Calls 'Timber' in Long-standing Trade Dispute With Canada

By Josie Newman

*The Christian Science Monitor*  
TORONTO - As President Bush returned last week from a trip halfway around the world to improve US trade ties in Asia, a significant development closer to home eased a longstanding dispute between America and its No. 1 trading partner, Canada.

The US Department of Commerce begrudgingly conceded to a NAFTA panel last week that American duties on Canadian lumber are wrongly calculated. The 16 percent duties - imposed on imports believed to be unfairly subsidized - will be

dropped when NAFTA releases its final ruling just over one month from now.

However, the battle still rages between the neighbors over \$4 billion in duties that Canada wants the US to refund.

And in a move that has infuriated Washington, Ottawa announced a \$1.2 billion aid package for the Canadian softwood lumber industry just days after the US concession.

The softwood lumber dispute stretches back nearly 20 years and has posed a major challenge to the free-trade principles and the process of arbitration set

forth in the NAFTA agreement.

"US credibility is on the line here. I think the decision is a good first step towards reconciliation," says Daniel Ikenson, a trade policy analyst with the Cato Institute's Center for Trade Policy Studies in Washington, D.C. "All the countries under NAFTA should play by the rules agreed on. If pushed, Canada might find it convenient to impose antidumping duties on the US or withdraw from NAFTA."

At the heart of the softwood disagreement is the US government's contention that provincial

governments unfairly support lumber producers. This allows Canadians, it argues, to sell lumber to the US at a price that undercuts most American lumber producers - hence the US-imposed duties. Subsidization is possible because, in Canada, most forests are owned by provincial governments while in the US most softwood trees are owned by private interests.

This is the fifth time in recent months the NAFTA panel has pursued the Department of Commerce to recalculate the 16 percent countervailing duties. Antidumping duties - fees placed on goods sold to another country for less than it cost to produce

them - of 4 percent will continue to be enforced.

"I don't think the Americans had any choice but to agree with the panel - not unless they wanted to tear up the NAFTA," says Michael Hart, professor of trade policy at Carleton University in Ottawa and one of the original negotiators of the NAFTA.

Approximately \$7.5 billion worth of Canadian softwood lumber - close to 70 percent of Canada's lumber production - is sold to the US annually. The US desperately needs the imports because the US domestic industry can only supply 50 to 60 percent of its own needs.

Canada's new aid package for

its softwood lumber industry may set back progress toward resolving the issue.

"Canada's actions illustrate what the United States has been saying all along: The Canadian industry is the beneficiary of subsidies that create an unlevel playing field to the detriment of the US industry," US Trade Representative Rob Portman said in a statement to the media.

Ottawa says the aid is not a subsidy and suggested it would review the package if Washington ended and refunded all duties.

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## Island Snowmobile Regulations Approved

By Karen Gould

Protecting Mackinac Island students, limiting speeds, the addition of a temporary stop sign, and prohibiting commercial operation all are included in the snowmobile traffic control regulations approved by the Mackinac Island City Council at its Wednesday, November 9, meeting.

Throughout the snowmobile season, from November 15 to April 15, a snowmobile speed limit of 20 miles per hour will be enforced on public roads in the residential, school, and business districts. On areas other than local streets, a limit of 35 miles per hour is allowed.

Protecting Island students from snowmobile riders is a priority that includes restricting the speed of snowmobiles to 10 miles per hour when students are within 25 feet of the vehicles. Snowmobile riders also are not allowed to operate their machines within 100 feet of the school.

"We recommend people adhere

to the speed limit in the city and that they are frugal when traveling outside the city," said Chief of Police William Lenaghan. "Speed limits will be enforced."

Chief Lenaghan said the Mackinac County Sheriff's Department works in cooperation with the Island police department in patrolling the Island on snowmobiles.

During the snowmobile season, a stop sign will be in place on the Island at the corner of Cadotte Avenue and Market Street, with Market Street traffic having the right-of-way.

If snowmobile riders are spending an extended amount of time on the Island, it is recommended they register their machines with the City. The free permit must be visible on the snowmobile. Snowmobiles also must be registered with the Mackinac Island State Park.

Snowmobiles must drive on the right side of roadways and yield to pedestrians, horses, and snowplows.

Wearing a helmet is a state law and if someone is cited for speeding on the Island and is not wearing a helmet, they will also be cited for that offense, said Chief Lenaghan.

Operating a snowmobile while under the influence of alcohol also is against state law.

Chief Lenaghan reminds riders to follow speed limits and be cautious while traveling in the Mackinac Island State Park. He said people are cross-country skiing and sledding in the park.

"Be careful out there," said Chief Lenaghan.

Snowmobile parking restrictions are posted in the downtown area and assist in keeping streets plowed. Streets affected include Main Street between Windermere Point and Fort Street, Market Street between Grand Avenue and Fort Street, and all of Hoban and Astor streets. Posted signs prohibiting parking rotate on a weekly basis from one side of the street to the other to facilitate snowplowing.

## Michigan Politics

By George Weeks



### Cox Reloads for Attorney General Election Shoot-out

As he gears for reelection, beleaguered Attorney General Mike Cox, whose political fortunes and public relations suffer from a self-imposed wound, has hired two of Lansing's top politically savvy PR guns for what should be quite a shootout in coming months.

On Monday, ex-Republican State Chairman Rusty Hills, former communications and public affairs director for then-Governor John Engler, becomes Cox's \$97,000-a-year communications director. He's the fifth person to have that government job in the three years Cox has been in office.

Devoted Catholic Hills most recently has taught at Michigan State University and the University of Michigan—a strange mix—while unsuccessfully trying to raise funds to start a religious-oriented mid-Michigan college, the Holy Spirit Institute.

Bill Nowling of the Lansing-based Rossman Group, a former

communications chief for Senate Republicans, recently became an on-call gunslinger for Cox's political operation.

The News' Mark Hornbeck reported that Cox, using campaign funds, had hired the Lansing public relations and crisis management firm (founded by Kelly Rossman of the Blanchard administration) to help get through what Nowling called "the rough waters" of his announced extramarital affair and related battle with Oakland County attorney Geoffrey Fieger.

Cox claimed that Fieger, who seeks the 2006 Democratic nomination to oppose him, threatened through an intermediary to expose the affair unless Cox dropped a secretary-of-state-requested investigation into 2004 campaign contributions made by Fieger, who denies Cox's claim.

There's no disputing Nowling's advice that Cox should "just be the attorney general." Before the Cox-

Fieger flap, Cox was on a roll on convictions, consumer protection actions, and other matters. Last week, Cox claimed a \$20 million victory in a Michigan Court of Appeals ruling for customers of Consumers Energy.

But Nowling caused discomfort in the Cox camp when he said: "People were willing to forgive Bill Clinton, and they will be willing to forgive Mike Cox."

A sampling of editorials and letters to editors in newspapers indicate he might be right. The *Jackson Citizen Patriot* said, "we don't believe that Cox's private life before he got elected is a crucial matter in his re-election."

But it said Cox and Fieger are both "flawed."

The *Lansing State Journal* said the mess is "staining Cox and Fieger." Concluded the *Bay City Times*: "Will we voters be able to stomach such a matchup?"

Cox's new gunslingers have quite a challenge ahead of them.

### Bipartisan Pitch

A welcome break in the partisan rancor in Lansing came last week when Secretary of State Terri Lynn Land and Dan Mulhern, husband of Governor Jennifer Granholm, joined in an appeal for funds for the Michigan Harvest Gathering.

The project in its 15 years has collected more than six million pounds of food through the Food Bank Council of Michigan, which last year served more than 800,000 families.

Thanks to transportation dollars provided through Harvest Gathering, food bank warehouses in the Upper Peninsula serve more than 200 local emergency providers.

Honorary chair of the gathering is Lions quarterback Joey Harrington. He's having a bad season. But Michigan Court of Appeals Judge Bill Schuette, who with his wife Cynthia founded the gathering when he was state agriculture director, called Harrington "Most Valuable Player" for needy Michiganders.

Harrington says donations can be made by calling (800) 552-4483 or visiting the council's Web site at [feedmichigan.org](http://feedmichigan.org).

George Weeks is the political columnist for *The Detroit News* and is syndicated by *Superior Features*.

### By Karen Gould

Sales were up \$15,000 over last year at Marquette Mission Park and Museum of Ojibwa Culture gift shops and Greektown Casino in Detroit will contribute \$31,000 toward museum programs next summer, reported Shirley Sorrels, museum manager, during the Friday, November 11 Downtown Development Authority (DDA) meeting.

Mrs. Sorrels attributed the increase in sales in part to a second gift shop that was opened this year in the museum building. The museum also continued to operate its main gift shop in the St. Ignace Chamber of Commerce building next to the museum on State Street.

"We own the museum and it's a tremendous asset to our downtown district," said Deb Evashevski, executive director of the DDA.

Mrs. Sorrels said the contribution from Greektown Casino was up \$6,000 over last year's \$25,000 gift.

"They are just so impressed with what we are doing," Mrs. Sorrels said. "We're hiring so many Native American people at the museum. The workshop people we are hiring, probably about

## City Pays \$3,860 for Council, Mayor for Nov.

A total of \$3,860 was paid for November to City Council members and the mayor by the City of St. Ignace for council and committee meetings. The total for October was \$1,650.

Each council member is paid \$70 for each regular meeting he or she attends and is paid \$60 for each committee meeting attended. The mayor receives \$80 per council meeting and \$70 per committee meeting or special event.

Councilman Willie LaLonde does not receive any payment for attending city meetings, per his request. Mr. LaLonde has said he does not want to withdraw funds for himself from a struggling city budget.

The following is a breakdown in total pay for the month for each council member and for the mayor, along with the meetings/events attended:

### NOVEMBER

Council held two regular meetings November 7, and a meeting November 14 and 21. Special meetings were held November 3 and 28.

Council also held three public meetings for city manager interviews on November 16, 17, and 21.

### Don Gustafson (Mayor Pro Tempore)

\$870 - Mr. Gustafson receives the same pay as regular council members do for meetings attended. He attended all November regular and special meetings (7), all three interview meetings, two Recreation Advisory Committee

meetings (November 9 and 22), an Ambulance Committee meeting (November 10), and the Negotiations Committee meeting (November 29).

### Susan Tamlyn-Massaway

\$690 - Attended all special and regular meetings (7), all interview meetings (3), and a H.O.M.E. board meeting (November 30).

### Merv Wyse

\$690 - Attended all special and regular meetings (7), all interview meetings, and a Zoning Board of Appeals meeting (November 30).

### Paul Grondin

\$650 - Attended regular meetings November 21 and the November 28 special meeting; he also attended all three city manager interview meetings. Committee meetings Mr. Grondin attended were two Recreation Task Force meetings (November 2 and 23), two Recreation Advisory Committee meetings (November 9 and 22), and a Negotiations Committee workshop meeting November 29.

**Tom Della-Moretta** (replaced Ollie Boynton November 8)

\$420 - Attended three regular meetings and three city manager interview meetings.

### Mayor Bruce Dodson

\$360 - Attended one regular council meeting, an Ambulance Committee meeting (November 10), a Special Events Committee meeting, and a Michigan Senate subcommittee public hearing regarding Mackinac Bridge Authority.

**Ollie Boynton (no longer serving after November 8)**

\$210 - Attended three special meetings and one regular meeting.

### Willie LaLonde

\$0.

### OCTOBER

Regular city council meetings in October were held October 3 and October 17.

### Don Gustafson

\$500 - Attended regular council meetings, two Recreation Task Force meetings, one Recreation Advisory Committee meeting, one Negotiations Committee meeting, and one Special Events Committee meeting.

### Mayor Bruce Dodson

\$300 - Attended two regular council meetings, a Downtown Development Authority meeting, and a Mackinac County Airport meeting.

### Paul Grondin

\$260 - Attended both regular council meetings, a Special Events Committee meeting, and a Recreation Advisory Committee meeting.

### Susan Tamlyn-Massaway

\$260 - Attended both regular council meetings, a Planning Commission meeting, and a H.O.M.E. meeting.

### Ollie Boynton

\$190 - Attended both regular council meetings and one Negotiations Committee meeting.

### Merv Wyse

\$140 - Attended both regular council meetings.

### Willie LaLonde

\$0

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