may be a relief to some U.S. enterprises that can no longer compete with foreign producers, but they are a pain for us. Since I know these laws enjoy considerable support in the United States, and particularly in the Congress, I want to take a little time to explain why we have such problems with them.

First, we have real doubts about the underlying premises on which much of this legislation is constructed, namely a distinction between fair and unfair trade. There are certainly instances where the distinction is valid, for example, trade in counterfeit goods, predatory pricing, and export subsidies. But increasingly the U.S. contingency protection system deems as unfair public policies or commercial practices that are different from the way they're done in the U.S. We question the wisdom and propriety of such an approach.

Natural resource pricing is one example of what I am talking about. At the heart of the softwood lumber dispute, for example, is the fact that our stumpage system is different from yours -- as are our forests. The fact that we have different systems, however, should not imply that one or the other is subsidized.

We also question whether the contingency protection system does not demand excessively litigious procedures. Most of the import relief actions available to U.S. producers are extremely costly for foreign exporters to defend. Since 1982, for example, the Canadian lumber industry has spent almost $4 million in legal fees and another $15 to $20 million in corporate salaried time fighting the countervail actions brought by U.S. In our view the expense of these procedures makes them weighted in favour of domestic petitioners.

One more observation and then I'll stop. The interpretation of your import relief laws is constantly changing, and that produces an unpredictability and uncertainty that has a chilling effect on bilateral trade and investment. Again the lumber case is a good example. We are facing a new investigation involving the same parties, the same claim, with substantially the same facts and under the same law as the case decided in our favour three years ago. And the justification for this is that the Department of Commerce may have changed its interpretation of the law.

We would like to see these anomolies and others in the U.S. contingency protection system amicably resolved, and we will be addressing them in the trade negotiations.

Despite what disagreements we may have with one another, it is no accident that these trade negotiations have been launched at this time by a Republican Administration headed by President Reagan and a Conservative Government led by Prime Minister Mulroney. Both governments are committed to promoting economic growth and efficiency by placing greater emphasis on market forces and reducing government intervention in the economy.

In a very real sense, the trade negotiations are the extension of that policy into the realm of international commerce. They are the external counterpoint to the deregulation already accomplished or in train in such areas as energy, transportation and investment.

One of the first actions of our Government was to pass the Investment Canada Act, replacing FIRA with a new agency that seeks to promote foreign investment. Most foreign investment entering Canada is now exempt from any