

Canadian Government is prepared to offer concessions on the issues in which the Administration is most interested, such as trade in services and investment.

2. Recent legislative activity suggests that Congress believes that the import relief laws are currently inadequate or underutilized, and that it will strongly resist any efforts to limit their application to Canada.

3. The protectionist private interest groups, including some concerned specifically about imports from Canada, are already mobilized and can be expected to oppose any such proposals strongly.

4. We therefore feel that proposals explicitly to single out Canada for special treatment, such as through creation of a higher injury standard, are unlikely to be politically acceptable in the short term. We are cautiously optimistic that less visible, more process-oriented provisions that give Canada a special role and influence in U.S. import relief decisions affecting Canada would give Canada the improved predictability it seeks without generating strident political opposition in the United States. (Such provisions are described further below.)