

provisions of the U.S. anti-dumping law. In the Trade Act of 1974, the Congress had been very clear about what sort of causality it thought appropriate for situations of "unfair" (e.g. dumped or subsidized) competition. In the dumping law, the Senate Finance Committee noted:

Moreover, the law does not contemplate that injury from less-than-fair-value imports be weighed against other factors which may be contributing to injury to an industry. The words "by reason of" express a causation link but do not mean that dumped imports must be a (or the) principal cause of injury caused by all factors contributing to overall injury to an industry.

The negotiating result in the subsidy/countervailing measures agreement came reasonably close to this target.¹⁶

This exposition is not without ambiguity as to whether "injury" is to be used in the "separable" or "over all" sense. There are important ambiguities in the legislative history as well. For example, in the Report of the House Committee on Ways and Means looking at causation under the "escape clause" and causation under the anti-dumping and countervailing duty provisions states: "... the Committee does not view overall injury caused by unfair competition, such as dumping, to require as strong a causation link to unfairly competitive imports as would be required for determining the existence of injury under fair trade conditions."¹⁷ And Senator Heinz, speaking of the Trade Agreements Act, which remarks were endorsed by Senator Ribicoff, stated: "In determining injury caused by subsidized imports, the Commission shall not weigh against the effects of the subsidized imports other factors which may at the same time also be injuring the domestic industry. Subsidized imports need not be a principal cause, a major cause or a substantial cause of injury to an industry when other factors may also be contributing to injury to an industry."¹⁸

Thus in the legislative history, a weak causal link between dumping and the condition of the domestic producers of a like product has been virtually established in U.S. law implementing GATT Article VI. A standard text on U.S. trade law states:

The law retains the by reason of causal factor previously applied in injury determinations . . . the by reason of standard requires the least possible causal link between the subsidy and material injury. The Senate Finance Committee report under the Trade Act of 1974 discussed the fact the words by reason of express a causal link that does not mean that the dumped imports must be a or the major cause, or a or the substantial cause of injury.¹⁹

As for the causal link in the "escape clause": the Trade Act of 1974 changed the formulation. The International Trade Commission, by that Act, must determine "whether an article is being imported into the United States in such increased quantities as to be a substantial cause of serious injury . . . to the domestic industry". This provision was examined by the International Trade Commission in its report on Wrapper Tobacco:²⁰