

THE TWO EFFORTS ARE NOT ALTERNATIVES. RATHER, THEY MUTUALLY REINFORCE ONE ANOTHER. THE BILATERAL NEGOTIATIONS, HOWEVER, RECOGNIZE THE UNIQUENESS OF THE RELATIONSHIP BETWEEN OUR TWO COUNTRIES AND OUR REQUIREMENT AS WELL AS THE OPPORTUNITY TO ADVANCE OUR MUTUAL COMMERCIAL INTERESTS.

IN THE EARLY DAYS OF GATT, THE LEADING INDUSTRIAL POWERS NEGOTIATED AND BOUND THEMSELVES TO REDUCE THE THEN PRINCIPAL REGULATOR OF TRADE -- THE TARIFF. TARIFF REDUCTIONS WERE SO SUCCESSFUL, THAT TODAY IT IS OF MINOR SIGNIFICANCE FOR MUCH OF WHAT WE EXPORT.

WHILE TRADE MAY SEEM MORE OPEN THAN IN THE DAYS OF HIGH TARIFFS, IN REALITY IT IS MUCH LESS SECURE. NEW INVESTMENT AND GROWTH REQUIRE A STABLE AND PREDICTABLE TRADING ENVIRONMENT. LOW TARIFFS HELP, BUT THEY ARE OF LITTLE PRACTICAL VALUE IF THIS IMPROVED ACCESS CAN BE FRUSTRATED BY OTHER BARRIERS AT THE BORDER.

THE PROTECTION FORMERLY PROVIDED BY THE TARIFF HAS NOW BEEN REPLACED BY TRADE LAW REMEDIES, SUCH AS DUMPING AND COUNTERVAILING DUTIES, EMERGENCY IMPORT RESTRICTIONS AND SO-CALLED VOLUNTARY EXPORT RESTRAINTS. THEY ALLOW COUNTRIES TO EXCLUDE OR PENALIZE IMPORTS IF THEY ARE TAINTED BY CLAIMS OF UNFAIRNESS, WHETHER JUSTIFIED OR NOT.

IT IS UNDER THESE LAWS THAT AMERICAN PRODUCERS ARE SEEKING AND FINDING PROTECTION THROUGH INCREASED BARRIERS AGAINST IMPORTS. CONGRESS IS PREPARED TO EXPAND AND STRENGTHEN THE REMEDIES AVAILABLE TO THEM. AND CANADIAN EXPORTERS FIND THEMSELVES CAUGHT UP IN THIS NET.