

The compromise that is being struck between protectionist interests in Congress and the administration is increased enforcement of the U.S. arsenal of trade remedies. This compromise has some benefits for Canada, but it also poses risks.

Canada benefits from the legalistic U.S. import regime because it deflects protectionist pressures and provides a reliable mechanism for dealing with trade disputes. The risk for Canada is that, as the definition of unfair trade practices in U.S. trade law becomes broader, more Canadian government policies will be subject to U.S. trade remedies. As the smaller partner in the world's largest bilateral trading relationship, Canada has a vital interest in obtaining clarification of trade rules and limiting the impact of U.S. trade remedies on Canadian exports.