

In the 100th Congress, a major new effort will be made to recast U.S. trade laws. In the last Congress, the omnibus trade bill passed by the House of Representatives was described by some observers as the worst trade bill since Smoot-Hawley. It will be the basis for the new initiative in the upcoming Congress. The Administration will have to weigh the possibility of a presidential veto or the option of negotiating with the Democratic Congress to moderate or deflect the thrust and impact of the bill.

From the Canadian vantage point, all these factors have brought about a change in emphasis in how we respond to protectionist pressures in the U.S.

Previously we were able to argue that Canada should be exempted from general trade legislation aimed at others because our situation was materially different. This approach is clearly ineffective where we ourselves are the only target of the legislation.

Examining the legislative and trade law actions we faced in the 1983-84 period, as opposed to our experience of the last two years, we find that there have been more trade law cases filed in the past two years; more of them have been aimed at Canadian products; the industries affected have been more important for Canada; and the results have been more negative for us. On the legislative front there has been an increase in the number of bills introduced in Congress targeted specifically on Canadian exports, where previously we were being "sideswiped" by general legislation aimed at other targets.

In terms of defending our interests in the United States, I draw four conclusions from this analysis:

First, instituting new and major campaigns of high-level representations to the Congress and Administration on an issue-by-issue basis is both necessary and important and we must be relentless in the pursuit of our objectives in this manner. But we may be reaching the limits of our capacities in implementing this strategy. In a few instances, we may even experience the law of diminishing returns, if there are backlash effects. When Canada is the primary or only target of these protectionist bills, their sponsors are not inclined to revise them simply because we ask it, no matter at what level we pitch our request.

My second conclusion flows from the first. Our lobbying efforts on protectionist measures in the United States must rely to an increasing extent on the development of alliances with U.S. domestic constituencies which share some of our objectives. Much of this work has to be done outside Washington, in the form of "grassroots" lobbying. This kind of activity is an important complement to high-level representational efforts in Washington. Our network of