

and all surrogates for XIX action be brought under one and the same system of surveillance. If such scrutiny were to be coupled with obligation that importing countries taking restrictive action must positively demonstrate that there is "injury", rather than leaving the burden on the exporting country to show that there is no injury (which is the present GATT dogma),³⁴ then a useful measure of discipline would have been added to the existing system.

Summary

We have proposed above a considerable tightening-up of the contingency protection system because, in our view, it is now providing the mechanism for more restrictive action than the economies of importing countries, and their political systems, can afford. At the same time, the notion that more punitive action should be taken when it is judged that the impact on the structure of competition in the importing country warrants such action, and/or when the conditions of competition in the exporting country warrant such action, would make relief to domestic producers in such cases more certain and substantial. Such a reform will, of course, place a burden on competition policy advocates and bureaucrats in that they will have to be more confident as to what sort of anti-competitive pricing and practices should be actionable.

A Final Comment

There is little in the above set of proposals that could appear on the agenda of the next round of trade negotiations — in the main because the negotiations are being launched to hold back protectionism rather than work out better rules for emerging problems. Nor has the ground been well prepared — there is little in the way of consensus, nationally or internationally. What measure of agreement does exist on the headings in the tentative agenda has been secured by the threats of protectionist actions by Congress, and has been given unwillingly and without conviction. Accordingly, it would be rash to think that the reform of contingency protection itemized above can be implemented soon is an early starter. But our examination of the modalities of the new protectionism might serve to convince governments that now is not the time to think of extending the contingency system to new areas of trade, that is, to the trade in services.