

responsible for administering U.S. laws are not entirely free from political pressures and remain attached to a prerogative once attributed to the gentler sex -- the right to change their mind. This is not to say that the U.S. domestic administrative processes are arbitrary. That is not my meaning. What I am saying is that they do not operate in a political vacuum.

As a result of actions brought under such laws, Canadian exporters have had restrictions placed on their exports of fish, shakes and shingles, hogs, sugar, flowers, certain iron and steel products, and, of course, softwood lumber. And we are now under threat of restrictions on brass sheet and strip, salmon and herring roe, uranium, lead and zinc, potash, and electricity.

The third kind of protectionist device consists of Congressional initiatives to rewrite the rules, by product or by country, or through omnibus trade legislation. Frequently, when domestic interests fail to make their case under existing import relief laws, Congressmen will seek to amend the law to guarantee success the next time around.

Ever since U.S. producers lost the 1983 lumber case, there have been many efforts in Congress to rewrite the countervailing duty law so as to ensure that Canadian stumpage practices would be found countervailable. Even as the current case was under consideration in the Department of Commerce, a large group of Congressmen wrote to the Administration warning of the likelihood of remedial legislation if Commerce failed to impose duties on Canadian softwood lumber. Such legislative initiatives seem intended to politicize the international trading environment. They create additional uncertainty for our governments and businessmen and have a chilling effect upon trade and investment in Canada, whether or not the proposed measures are eventually enacted into law.

The fourth element in the protectionist armoury is administered trade: that is, trade administered through some form of quantitative restriction or price setting. Some of these quotas are sanctioned by the GATT. The United States uses them to protect textiles and agricultural commodities such as sugar and dairy products.

Other quotas are imposed under agreements in which foreign exporters or governments restrict exports in return for the suspension or termination of countervailing duty, anti-dumping or escape clause investigations. Examples are the steel restraint agreements concluded with the European Community and other governments since 1982, and the agreement on semi-conductors recently concluded with Japan.

Another form of quota is the so-called voluntary restraint agreement under which a foreign government agrees to impose an export restriction in order to forestall threatened legislative or