

to take "all appropriate and feasible action within his power" to enforce U.S. rights or to eliminate the foreign government's practice. In addition, he may suspend or withdraw concessions and impose duties, quotas, or other import restrictions on the products or services of the foreign country.

Section 301 is a statutory retaliatory power that exists in the office of the president independently of the GATT or any other trade agreement. In contrast to the GATT and the multilateral codes, this provision applies to services as well as to products.

Section 301 actions are initiated by the delivery of a petition to the U.S. Trade Representative (USITR) by any "interested person". The USITR conducts an investigation involving public hearings, consultations with the foreign government and, if appropriate, initiation of dispute-settlement proceedings under a trade agreement, and recommends a course of action to the president.

The section is used principally in cases where U.S. exports are being hurt by a foreign government's policies or practices. The only case that went completely through the Section 301 process to culminate in a retaliatory action involved U.S. border broadcasters. In 1976, the Canadian government enacted Bill C-58, which denied Canadian companies tax deductions for payments to U.S. television and radio stations for advertising directed primarily at Canadian audiences. In 1978, a group of U.S. border broadcasters filed a Section 301 complaint. The USITR recommended to President Carter in 1980 that mirror tax legislation be enacted by Congress. Section 232 of the Trade and Tariff Act of 1984 is that response. It denies a deduction to U.S. companies for foreign advertising expenses in countries that deny similar deductions for U.S. advertising.