

and the ITC will find injury from the imports. Yet, since Canadian fish production is limited by strict harvest quotas, it would seem that Canadian subsidies to fishermen are not causing injury to U.S. producers. In the absence of subsidies, Canada likely would harvest and export the same amount of fish, but fewer fishermen probably would be employed in the industry.

Canada could seek exemption from the recently enacted cumulation provision in countervailing duty actions. As a result of the Trade and Tariff Act of 1984, the ITC is required to cumulate effect from imports from all countries in determining injury to a U.S. domestic industry in a countervailing duty case. Canada could suggest that only Canadian imports be considered in injury determinations affecting the importation of subsidized Canadian products.

With regard to antidumping duties, Canada should seek the elimination of the "sale below cost" provision contained in Section 321 of the Trade Act of 1974. This is a protectionist provision that does not deal with dumping at all.

Canada could seek to limit the impact of U.S. trade laws by negotiating tighter standards of injury for all U.S. trade remedies. In particular, a tighter standard of injury for the initial determination by the ITC would greatly reduce the potential for harassment of Canadian exporters. Furthermore, Canada could seek to reverse the inclusion of Canadian exports in U.S. trade actions directed at third countries.

#### Conclusion

When activated, the complex U.S. contingent protection system can present a substantial nontariff barrier to Canadian trade. As such, it places considerable constraints on Canadian domestic policymaking. Since the Trade