where possible, continue work toward the further disciplining of anti-dumping and countervailing duties.

Is Canada being pulled by the U.S. confrontational model? The U.S. Department of Justice continues to use anti-trust law to open foreign markets to more competition by American exporters. However, while the U.S. invokes such laws, it does not appear to be in a great hurry to develop a global competition policy. Like other aspects of trade law, application and intent vary considerably between Canada and the U.S.. U.S. antitrust law provides for many more specific exemptions to the application of U.S. laws. Furthermore, certain sectoral exemptions may constitute a violation of the principle of national treatment and give rise to investment distortion effects. The practical impact of these types of exemptions is that exporters to the U.S. may be subject to antitrust liability for anti-competitive practices, while their U.S.-based competitor will not.[200]

As this section outlines, there are a number of anti-competitive practices relevant to the advanced technology sector that are supported by governments through competition policy exemptions on technology consortia and with regard to investment locational subsidies. Regrettably, under current rules, many of these activities appear WTO consistent. As pointed out previously, Canada is limited in its capacity to "retaliate" through the adoption of similar practices in Canada, as the costs to the smaller, more trade dependent economy frequently outweigh the cost to the United States. The balance between theory and practice when countering protectionist trade measures leaves the smaller players with much less scope to manoeuvre, unless rule-making expands further to restrict additional discriminatory practices.

200 (Canadian) Register of United States Barriers to Trade, Department of Foreign Affairs and International Trade (Ottawa, 1995).