

investments needed to take full advantage of new opportunities under the Free Trade Agreement.

Security for Canadian Exporters

Under existing international rules, countries that take emergency action to protect an industry from serious injury caused by import competition usually restrict such imports from *all* countries — even when they are not the cause of the problem.

This Agreement protects fair-trading Canadians from being victimized by sweeping trade actions. When imports from Canada are not substantial and are not an important cause of the injury, Canadian producers will be excluded from the effect of U.S. measures. We will no longer be side-swiped.

Dispute Settlement

The Agreement provides for a unique means of resolving trade disputes. A panel with representation from Canada and the United States will act as a final “court of appeal”, with binding powers to ensure the fair and impartial application of anti-dumping and countervailing duties. The panel will have the power to overturn decisions if it finds that national laws have been improperly or unfairly applied. This will ensure that the rule of law — not political power — governs the trade process.

Yet the Agreement goes further. Canada and the U.S. have agreed to negotiate new rules to govern our trading relationship. These rules would take effect by 1993, five years after the Agreement takes effect.