

Background Information

when the subsidized imports cause material injury to domestic industry in the importing country.

Customs Duties See Tariff.

Customs Union A group of nations which have eliminated trade barriers among themselves and imposed a common tariff on all goods imported from all other countries. A customs union is often referred to as a common market.

Defence Production Sharing Arrangements A set of administrative arrangements between the United States and Canada dating back to the 1941 Hyde Park arrangement providing for free trade in defence materiel and encouraging shared production of such materiel.

Dispute Settlement Mechanism Those institutional provisions in a trade agreement which provide the means by which differences of view between the parties can be settled.

Duties See Tariff.

Escape Clause Measures See Safeguards.

Emergency Restrictions See Safeguards.

Fair Trade See Unfair Trade.

Framework Agreement A trade agreement limited to a broad statement of objectives but including institutional arrangements to facilitate the attainment of these objectives.

Free Trade An economic concept used for analytical purposes to denote trade unfettered by government-imposed trade restrictions; also used as a general term to denote the end result of a process of trade liberalization. Freer trade is the comparative term used to denote circumstances between current practice and the achievement of free trade.