

our trade and our relations with the United States, the main concern for most firms has been the continuing threat of adverse measures, such as quotas on imports of steel, and the uncertainty that results both for market development efforts and sales in the U.S. market and for investment and jobs in Canada.

Security of access to the U.S. market may seem somewhat irrelevant to the day-to-day business activities of many firms. It is only when a company seizes the initiative to enter a foreign market, or has become established there, that these issues become important. Indeed, these issues may become the key to whether the bottom line is black or red. Firms engaging in trade with other countries need to understand the rules that govern international trade if they are to succeed and need to be assured that the rules will not change abruptly. It is essential in this complex legal jungle for a firm to know that when it puts the time, effort and money into developing a new market for its product, its initiative will not be undermined.

The Agreement goes a long way to dispelling these concerns. As the two markets develop within a free trade environment, the kinds of non-tariff measures which led to the current situation will likely diminish in significance for bilateral trade, especially as the institutional arrangements on dispute settlement mature and precedents are established. In the interim, before the dispute settlement mechanisms become

fully operative, there is a disincentive for new actions to be launched unless the complainants are confident that their cases will withstand the scrutiny of the new mechanisms which will take effect in 1989.

The elements of the Agreement relating to security of access include:

- special provisions on emergency import actions (safeguards);
- new countervailing and antidumping dispute settlement procedures;
- improved general dispute settlement provisions; and
- a Canada-U.S. Trade Commission to oversee developments under the Agreement.

These provisions are not easily understood. The following explanation is intended to provide clarification.

Emergency Import Actions (Safeguards)

The dispute settlement procedure is binding on all questions of "import safeguards". These are border measures, such as the establishment of quotas, taken when one country believes that fairly traded imports from the other country are causing its producers serious injury. The Agreement makes a distinction between the situations in which action can be taken.