

As in other countries, much of the pressure for protection against imports in future will focus on non-tariff instruments such as anti-dumping duties, countervailing duties, quotas and surtaxes, the so-called measures of "contingency protection". These instruments of contingency protection are governed by international rules in the form of various GATT Codes. Legitimate recourse to these instruments does not constitute protectionism. The existence of an adequate safety net of contingency protection is regarded internationally as an essential requirement for the maintenance of an open trading system based on the rule of law. Recourse to these rights is subject to various conditions, of both a policy and a procedural nature, and may be challenged when considered inappropriate or excessive by trading partners.

The shift from a system of protection based primarily on the tariff to one which responds quickly to changing economic conditions and trade practices has advantages as well as disadvantages. Contingency measures of protection have the advantage that they can only be implemented when it is clear that the imports are injurious to domestic production and for such time as may be required to eliminate the injury, but they carry the risk of being implemented in ways that constitute new non-tariff barriers. Further, as this kind of system responds to injurious situations, it can be expected that greater pressures will be brought to bear on administrators to act precipitously without having an adequate information base, particularly regarding the available evidence of injury. The scope for harassment of exporters is evident. In considering increased or special protection for a particular industrial sector, due recognition will need to be given to the potential negative impact such action may have on industrial competitiveness, economic welfare, and the international trading system generally.

A comprehensive revision of the legislative and institutional aspects of the Canadian import regime should be completed by the mid-1980s. The tariff reductions negotiated in the Tokyo Round will be in effect; the legislative and regulatory actions resulting from the current Tariff Board studies of the GATT customs valuation system, of the made/not made in Canada regime and of the General Preferential Tariff should be in place; the question of adopting an internationally harmonized system of customs tariff classification will be resolved; the legislative proposals contained in the Discussion Paper on Import Policy dealing with anti-dumping duties, countervailing duties and safeguard measures (i.e., surtaxes and quotas), as well as the proposed revisions to the Customs Act should all have been implemented. In addition, the government will have reviewed the tariff structure facing the shipbuilding industry, including on ships for use in coasting trade; the implications of extending national customs and excise jurisdiction to the Canadian continental shelf; the extension of coasting trade legislation to all commercial coasting and marine off-shore activities, except fishing, within the 200-mile economic zone; the possibility of establishing duty-free trade zones in appropriate slow-growth areas; and the possibility of establishing duty-free shops at Canadian ports of entry for purchases of goods by travellers upon arrival in Canada. Furthermore, by the mid-1980s the computerization of customs-entry documentation should be close to completion, facilitating customs entry as well as making available more timely statistical information for public use. Finally, if the government adopts the recommendation of the House of Commons Sub-Committee on Import Policy for a study of the interrelationships between the Anti-dumping Tribunal, the Tariff Board, and Textile and Clothing