

THE ENVIRONMENT

All countries participating in the Uruguay Round recognize the growing importance of the environment to global trade. The new agreements promote better use of resources, reduced incentives for farmers to overuse their lands, and the pursuit of environmental goals through programs that do not distort trade.

Canada maintains its ability to take action to protect its environment from damage caused by domestic or imported products and to set standards in accordance with its domestic environmental priorities.

Agreement has been reached on a work program that will focus on the relationship between trade and the environment following Marrakesh.

THE GATT AND THE NAFTA

The NAFTA, like the Canada-U.S. Free Trade Agreement (FTA), aims to reduce or eliminate most of the barriers to trade within the free trade area. Such free trade areas are allowed under the GATT and are consistent with the GATT's primary goal of trade liberalization. Canada's trade with non-NAFTA countries will continue to be governed by the GATT rules, and Canadian tariffs on goods imported from non-NAFTA countries will be those agreed to in the Uruguay Round.

While the Uruguay Round mirrors many of the key provisions of the FTA and the NAFTA, it also addresses some of the unfinished business of both those agreements, including rules on agricultural trade, definition of subsidy, and rules governing the use of dumping and countervailing duties.

NEXT STEPS

Following the Canadian government's acceptance of the Uruguay Round results in Marrakesh, Morocco on April 15, the next step is to secure parliamentary approval of legislation to implement the agreement.

Consistent with the "single undertaking" agreed to by all participants at the beginning of the Round, Parliament will be asked to accept or reject the agreement in its entirety. Provincial governments may also have to modify certain laws and regulations in areas that are under their jurisdiction, particularly in the services sector.

The WTO will enter into force in 1995 (possibly January 1 or July 1).