

Background Information

GLOSSARY OF TRADE TERMS

<u>Term</u>	<u>Definition</u>
Adjustment	The ongoing process by which the economy declines or renews and adjusts to changing circumstances. Among the factors which influence the scope and pace of adjustment are changes in technology and productivity, trade liberalization, consumer taste, resource exhaustion, and the changing composition of the labour force.
Anti-dumping Duties	Additional duties imposed by the importing country in instances where imports are priced at less than the "normal" price charged in the exporter's domestic market and are causing material injury to domestic industry in the importing country.
Autopact	A sectoral trade agreement entered into by the United States and Canada in 1965 in order to encourage the rationalization and growth of the North American auto industry. It provides for duty-free movement between the two countries of new automobiles and original equipment parts.
Common Market	See Customs Union.
Competition Policy	Set of policy measures whose objective is to protect the effective operation of the economy based on the premise that generally a market system will give better results in terms of economic and industrial performance than any alternative systems of industrial organization. Canada's competition policy is founded in the <i>Combines Investigation Act</i> .
Contingency Protection	Collective term referring to Anti-dumping and Countervailing Duties and Safeguards.
Countervailing Duties	Additional duties imposed by the importing country to offset government subsidies in the exporting country,