

- Anti-dumping: Canada has circulated a proposal to review and to improve the existing GATT Anti-dumping Code in respect of both the investigation procedures and the standards for applying anti-dumping duties when dumped imports are injurious to domestic producers. The text is set out in Annex VIII. Increasing attention is being given to anti-dumping issues in the MTN as reflected by proposals also submitted by the USA, the EC, Japan and other Asia-Pacific countries. It should be noted that, as in the case of countervailing duties, the basic rules of the GATT Code continue to apply between Canada and the USA, subject to the Chapter 19 dispute settlement procedures of the FTA and pending the development of an alternative bilateral regime.

9. During the autumn, the negotiations on subsidies and countervail have been seriously engaged on the basis of Canada's comprehensive proposal of last June. (See the August 1989 Situation Report for the main elements of the negotiating framework). Many new proposals, including by the USA, have been submitted. In addition, the USA bilateral agreements with countries other than Canada with respect to "trade distorting practices in the steel sector" envisages the incorporation into the MTN agreement of obligations and disciplines to eliminate and prohibit such subsidies.

10. Developments in other areas relating to trade rules over recent months included further detailed discussions of the main elements of a new comprehensive safeguards arrangement; exploration of possible ways to re-integrate textiles and clothing trade under new and strengthened GATT rules; greater focus on a review of GATT Article XVII concerning state trading practices; review of procedures under GATT Article XXVIII regarding re-negotiation of tariff bindings; and the clarification and strengthening of existing GATT rules and disciplines applicable to distortive trade-related investment measures (TRIM's).

11. The process to develop the framework elements for a General Agreement on Trade in Services (GATS) has continued to advance. In September, the Group on Negotiations of Services (GNS) completed the sectoral testing of relevant principles and concepts such as national treatment, MFN, transparency, access, establishment, trade remedies, dispute settlement and development. It has also pulled together the main elements of a new framework agreement on international trade in services, although the precise structure and the coverage of a GATS as well as the degree and nature of liberalization commitments by sectors and transactions realistically achievable within the