
Emergency Measures

Both governments agree to more stringent standards in the application of safeguard measures (quotas or restrictions) to bilateral trade. Global import quotas or surtaxes imposed by either government under Article XIX of the GATT will exempt the other party if its shipments are not substantial (less than five to 10 per cent of total imports). During the period of transition of this Agreement if imports from the other country alone are a substantial cause of serious injury, duty reductions provided by the Agreement may be suspended for a maximum of three years, but only one such action per product can be taken.

Government Procurement

Canada and the United States agree to expand access for each other's suppliers to purchases by governments at the federal level, building on the GATT Government Procurement Code. The coverage of the code will be broadened to purchases between US \$25,000 (CDN \$31,000 for 1989) and US \$156,000 (CDN \$213,000). Further bilateral negotiations will be resumed once the GATT Code is renegotiated.

Trade in Services

The agreement provides, for the first time, a set of disciplines covering many service sectors. In the future, both governments will extend the principles of national treatment, right of commercial presence and right of establishment, consistent with the investment chapter, to each other's providers of services. Sectoral annexes spell out these obligations for tourism, architects, and computer and enhanced telecommunications services. However, these provisions do not apply to either Canadian or U.S. government procurement.

Financial Services

The Agreement preserves the access that Canadian and U.S. financial institutions have to each other's markets and opens new areas of competition in securities underwriting and banking.

Cultural Industries

Cultural industries are explicitly exempted from the Agreement.