

CANADA/USA - TRADE IN SERVICES

A. INTRODUCTION

When the Prime Minister of Canada met with the President of the United States in Quebec City in March 1985, their discussions covered short and medium term undertakings to explore means to expand trade, both bilaterally and through mutual support for a new round of multilateral trade negotiations, in recognition of the benefits of more rational and competitive production and distribution. In view of the importance of trade in services, these undertakings were extended to both goods and services. As a first step, they committed themselves to halt protectionism in cross-border trade in goods and services. They also announced the resolution of a number of irritants. On the services side, this included the tax-free treatment of certain tourist literature and cable/satellite retransmission. The Prime Minister and the U.S. President also agreed on a Canada-United States Work Plan on Trade, a number of elements of which would facilitate and enhance trade in services, e.g. standardization, reduction or simplification of regulatory requirements, improvement in the Canada/United States Air