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# communiqué

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## CANADA/USA UNDERSTANDING ON SAFEGUARDS

The Honourable Gerald Regan, Minister for International Trade, and Ambassador William Brock, the United States Special Trade Representative, today signed in Washington a bilateral Understanding concerning conditions and procedures for emergency action on imports under Article XIX of the GATT.

Mr. Regan, in signing the Understanding for Canada, described it as "a constructive and positive step and further evidence that bilateral trade relations are generally in good shape".

Mr. Regan indicated that while both governments have resolved to resist protectionism, the Understanding recognizes that there are occasions when extraordinary measures are required temporarily to facilitate adjustment of an industry to increased import competition. Mr. Regan emphasized that consultations provided for under the agreement will provide an opportunity to find ways to avoid or to minimize problems for Canadian exporters in situations where the U.S. Government is contemplating trade restrictive action. Similarly, the Canadian Government will take U.S. views into account in comparable situations. Mr. Regan noted that the Understanding resolves some long-standing differences between Canada and the United States on interpretation of GATT Article XIX and provides concrete evidence that progress can be made in interpreting the safeguard provisions of the GATT. He expressed the hope that it would contribute to progress in reaching a multilateral agreement on safeguards.

The Understanding sets out procedures for notification and consultation, elaborates the conditions for taking safeguard actions and establishes general principles for addressing the issue of compensation.