

- ° to reduce and remove U.S. tariff and non-tariff barriers to Canadian exports of goods and services, so as to gain improved access to the large U.S. market;
- ° to impose greater restraints on the use by the United States of policies and measures which injure Canadian trade interests, especially those offering preferences to domestic producers in government purchasing and those imposed or threatened under so-called "trade remedy" systems; and
- ° to establish effective joint institutional arrangements for resolving trade policy disputes and generally managing the bilateral trade relationship.

To secure these objectives, Canada would of course have to make its contribution by reducing or removing its own barriers to imports from the United States, by accepting new disciplines over its trade and related policies as they affect U.S. interests, and by cooperating in the creation and operation of new joint institutional arrangements.

On the U.S. side it may be expected that the main objectives in the negotiations would include the following:

- ° to reduce and remove Canadian tariff and other barriers to U.S. exports of goods and services;
- ° to limit in some way the subsidization of Canadian production of goods and services which adversely affect U.S. trade interests;
- ° to liberalize and establish rules governing trade in the services sector; and
- ° to reduce barriers to U.S. capital investments in Canada and secure "national treatment" for U.S. investments in Canada.

Canadian and U.S. objectives of this kind are not, on the face of it, mutually exclusive; rather, it is likely that each country will have a different list of priorities. Canada also has an interest in access for investment to the U.S., in limiting U.S. subsidy schemes which affect Canadian interests, and in the export of services to the U.S. The United States may be less interested than Canada in creating new joint institutional arrangements, but will not necessarily be negative towards such arrangements.

Most of these objectives, and the process for achieving them, are not new. Some of them have been pursued for half a century under the pre-war trade agreements and within the GATT. They can and should continue to be pursued within the GATT and under a further round of GATT negotiations; indeed, the agenda for a new round of multilateral trade negotiations is broadly similar to the bilateral agenda. However the objectives of Canada and the United States can be advanced farther and more quickly under a new bilateral agreement than will likely prove possible under the prospective GATT round.