
new areas of competition in securities underwriting and banking.

Cultural Industries

- Cultural industries are explicitly exempted from the Agreement.

Temporary Entry for Business Purposes

- Business persons trading in goods and services will benefit from improved and easier border crossing.

Investment

- The two governments agree in the future to provide national treatment to each other's investors and will not impose export, local content, local sourcing or import substitution requirements on each other's investors. Existing laws, regulations and published policies are grandfathered.
- The Canadian threshold for the review of direct acquisitions will be raised to \$150 million by 1992. Review of U.S. indirect acquisitions will be phased out over the same period.
- Existing laws, policies and practices are grandfathered, except where specific changes are required.

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 5 to 10 per cent of total imports).
- During the period of transition of this Agreement, in the event 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 three-year period, but only one such action per product can be taken.

Dispute Settlement in Anti-dumping and Countervail Cases

- A dispute settlement mechanism will guarantee the fair application of the respective anti-dumping and countervailing duty laws of both countries. Either government may request a bi-national panel to review final anti-dumping or countervail determinations. Panel decisions will be binding.
- New legislation will not apply to the other country unless it is so specified. A bi-national panel may review such proposed legislative changes and issue opinions.
- Both governments will attempt to develop and implement a substitute system of countervail and anti-dumping laws within seven years.

Institutional Provisions

- A Canada-United States Trade Commission will be established to supervise the implementation of the Agreement and resolve disputes.
- The two governments further agree to bi-national panel procedures at the insistence of either country to make recommendations for the settlement of disputes regarding the interpretation and application of the Agreement in other than anti-dumping and countervail cases. They will refer such disputes to binding arbitration in the case of safeguards and, with the agreement of both governments, may also do so in other cases.