

could represent a technical barrier to trade. Non-discrimination is a principle enshrined in both the GATT and the WTO Agreements.

It is important to note that the issue of mandatory method of production labelling is not limited to foods derived from biotechnology. Mandatory method of production labelling could have very serious implications for other Canadian industries, including manufacturing, mining, forestry and fisheries. Canadian industry, consumers and producers have recognized the need to provide more information to consumers, as well. Through the Canadian General Standards Board, these groups are elaborating a voluntary standard which would provide a framework for the voluntary labelling of "foods obtained through or not obtained through biotechnology". Voluntary standards do not represent technical barriers to trade, in the same way that regulations, which are compulsory, do. Canada has been promoting this approach with our trading partners, such as Japan, Korea, Brazil, Australia and the European Union, and will continue to do so. Along with this approach, Canada will continue to ensure that labelling requirements are practical and do not pose unnecessary obstacles to trade.

Trade Remedies

The pursuit of more specific disciplines as well as improved transparency and clarity in the use of trade remedy measures by its trading partners are priorities for Canada. These objectives were the basis of Canada's support for new multilateral negotiations in the area of anti-dumping and subsidies/countervail. The importance of this objective continues to be evident as non-traditional users of trade remedies continue to initiate and conduct investigations. Canada continues to monitor and assist Canadian exporters involved in investigations of Canadian exports, analyse changes in the trade remedy laws and practices of Canada's most important trading partners, and make representations as appropriate in specific investigations. Regarding the latter, the Canadian government was active with respect to a U.S. anti-dumping duty investigation involving sodium sulphate from Canada, one U.S. and two Chilean safeguard investigations involving agricultural products, a U.S. Section 301 investigation involving the Canadian Wheat Board and several U.S. reviews of anti-dumping and countervailing duty orders in place on imports from Canada.

Canada continues to contribute to the work of the WTO Committees on Subsidies, Anti-Dumping Practices, and Safeguards to ensure that all Members administer their trade remedy laws in a WTO-consistent manner. Canada continues to work in the context of the WTO Agreement on Subsidies and Countervailing Measures as well as the Committee on Agriculture to ensure appropriate implementation and possible expansion of the subsidy disciplines negotiated in the Uruguay Round. As well, Canada participates as a third party in WTO dispute settlement proceedings involving issues of importance to Canada. In this context, Canada participated as a third party in WTO proceedings regarding the U.S. Foreign Sales Corporation, Japan's challenge of a U.S. anti-dumping duty determination on steel imports from Japan, the U.S. safeguard action on wheat gluten and the U.S. 'Byrd Amendment'.

Rules of Origin

The WTO Agreement on Rules of Origin established a work program to develop common rules of origin for several purposes involving non-preferential trade. In the development of such rules, Canada's objective is threefold: to achieve common rules that will provide greater transparency and certainty for traders; to prevent countries from using rules of origin to impair market access; and to have rules that are technically proficient, reflecting the global nature of production and sourcing of goods and materials.

Although the work program was originally slated for completion in July 1998, it has been extended due to the technical complexities which have prevented several countries from reaching agreement on rules for all products. Under the 2000 work program established by the Committee on Rules of Origin, significant progress was made in key areas, including advancing the overall architecture of the harmonized rules of origin, dealing with cross-sectoral issues, review of the numerous outstanding issues on product-specific rules of all chapters of the Harmonized Commodity Description and Coding System (Harmonized System), upon which the rules are based, and attempting to reach consensus on these various issues.

In late December, the Committee established its 2001 work program, following the decision by the