
Quantitative Restrictions

Canada and the United States have agreed not to maintain or introduce import or export restrictions, except in accordance with the GATT and/or as modified by the Agreement. The GATT provides that its members may take certain trade measures in specific circumstances; these include measures related to the conservation of exhaustible natural resources and measures essential to the acquisition or distribution of products in short supply. Under the terms of the Agreement, should such short supply exist and should special measures be deemed necessary or advisable, each country must provide proportional access to the product based on historical sales without any price discrimination being imposed by governments. Moreover, the two countries will co-operate on the implementation of any such export measures to prevent trade diversion to third countries.

Under the Constitution, provinces own their natural resources and are responsible for their management and conservation. Over the years, they have implemented legislation and regulations for exploration, development and conservation of their mineral heritage. Except for potash, seldom have they found it necessary to take corrective measures that actually affect the level of production, and hence trade.

Technical Standards

The Agreement provides that both countries build on the GATT Standards Code to avoid the use of technical regulations as a disguised barrier to trade and to harmonize federal standards-related measures to the greatest extent possible. Standards and regulations will be allowed where their demonstrable purpose is to protect health and safety, the environment, national security and consumer interests. The two countries have also agreed to establish a process for mutual recognition of systems for accrediting testing laboratories and for the accreditation of certification bodies.

Investment

The minerals and metals industry is capital intensive and the sector typically accounts for about six per cent of total Canadian investment. Although most originates in Canada, foreign capital has played a significant role in developing the nation's natural resources. In 1986, Canadian control of the nonfuel minerals sector (including uranium) stood at 69 per cent, and the coal sector at 86 per cent. These levels are up significantly from the 50 and 38 per cent ranges, respectively, for these two sectors throughout most of the 1970s. The United States is the largest supplier of foreign capital.