

## FOREWORD

Canada and the United States are each other's principal trading partner. The bilateral Free Trade Agreement (FTA) has considerably enhanced this relationship and reduced barriers to trade on both sides of the border. The FTA provides rules and procedures to deal with trade problems and allows the two countries to negotiate new benefits for their exporters and investors.

The FTA, however, did not deal with all trade restrictions. Some were left to later resolution in the Multilateral Trade Negotiations (MTN) or in other trade negotiations.

Obstacles to the free flow of goods, services and investment between Canada and the United States remain at the federal, state and local levels. This register offers an illustrative compendium of the range and complexity of barriers that Canadian business people must cope with daily.

The Canadian government is working to bring an end to these barriers. In some cases, the barriers are inconsistent with U.S. obligations under the FTA or the General Agreement on Tariffs and Trade (GATT), and their elimination is being pursued within the framework of these agreements (see Chapter XII). In other cases, they are being addressed in the Uruguay Round of Multilateral Trade Negotiations under the GATT.

The North American Free Trade Agreement (NAFTA), which is expected to come into effect on January 1, 1994, will lead to the curtailment, and in some cases elimination, of a number of U.S. barriers, once implementing legislation is enacted.

Several notable changes have been made to this year's Register of United States Barriers to Trade. A section has been added to highlight those measures having an extraterritorial effect. Several additional subsidies, namely the Sunflowerseed and Cottonseed Oil Assistance Programs and the U.S. inland waterway transportation supports, appear in the 1993 register, and the government procurement section has been reorganized to more clearly highlight the broad sweep of Buy American provisions. Two barriers in the technical and regulatory section of last year's edition have been removed to reflect the successful negotiation of bilateral agreements on meat inspection and potatoes. New U.S. barriers, pertaining to meat, poultry and newsprint recycling, nonetheless appear in this section. Finally, the investment section has been updated to reflect a recent amendment to the Exon-Florio Amendment.