

## **Part One: Objectives and Scope**

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*This Chapter sets the tone for the agreement as a whole. The objectives make clear the extent to which the Canada-United States Trade Agreement moves beyond other free-trade agreements negotiated under the GATT. Four previous agreements are particularly relevant: the 1960 European Free-Trade Area; the 1965 UK-Ireland Free-Trade Agreement; the 1983 Australia-New Zealand Closer Economic Relations Agreement; and the 1985 United States-Israel Agreement.*

*The new Canada-United States Agreement is broader in scope as it provides for liberalization in all sectors of the economy, including agriculture. No other trade agreement includes binding commitments on trade in services, business travel or investment. No other agreement provides a basis for developing new rules to deal with subsidies, dumping and countervailing measures.*

*The Chapter begins with a declaration that the agreement is consistent with Article XXIV of the GATT, the article which provides the framework in international law for negotiating free-trade agreements. It sets out a legal statement of the basic principle underlying the Agreement as a whole: Canada and the United States will treat each other's goods, services, investment, suppliers and investors as they treat their own insofar as the matters covered by this Agreement are concerned. Individual parts and chapters work out this principle in detail. Chapter Five in Part Two, for example, establishes national treatment for trade in goods and Chapters Six, Seven, and Eight all contain important amplifications of this principle. Similarly, the services and investment chapters begin with a statement of this principle and then develop how it will be applied.*

*The Agreement recognizes that it is based on the precedents and commitments between Canada and the United States established in other bilateral and multilateral agreements. For purposes of interpretation, it indicates that the provisions of this Agreement take precedence over all other agreements unless there is a specific provision to the contrary. For example, Article 908 states that the undertakings of the two governments under the Agreement on an International Energy Program take precedence over the provisions of this Agreement.*