

IMPROVING THE TRADE RULES

More secure and predictable access to foreign markets is crucial to Canadian businesses interested in expanding their trade and investment opportunities.

The benefits of trade liberalization achieved in previous GATT rounds can be seriously undermined by the use of contingency protection measures, such as anti-dumping or countervailing duties and safeguard measures, applied to both fair and unfair trade.

An important objective in the Uruguay Round is to improve GATT rules relating to subsidies and countervailing duty measures that affect international trade. Canada is seeking clearer, more effective disciplines on the use of trade-distorting subsidies. For this reason, we are working to achieve multilateral agreement on the definition and measurement of subsidies and to clarify the rules, procedures and conditions that govern national administration of countervailing duty laws.

A related goal is to develop more effective multilateral rules on the use of "safeguard measures," such as emergency import relief measures under GATT Article XIX, voluntary export restraints and orderly marketing arrangements. GATT Contracting Parties are also discussing the impact of safeguard measures on the structural adjustment of industries affected by changing trade patterns.

Canada is working hard in the Uruguay Round to develop framework agreements with clearer, more equitable and more effective rules in these areas. Achieving such agreements is essential if we are to stem the tide of increasing unilateralism in the application of contingency protection measures against our exports.