

XI. CANADIAN RESPONSES TO U.S. BARRIERS

As noted in each of the chapters above, Canada is taking specific action at the multilateral and bilateral levels to remove U.S. barriers to trade. The Uruguay Round and the North American Free Trade negotiations provide prospects for the elimination of measures that constrain Canadian exports. In addition, the Canadian and United States governments regularly meet at the ministerial level under the FTA Commission, and consult on an ongoing basis to seek the resolution of individual trade problems.

Canada also defends its interests with respect to trade actions by the United States through aggressive use of the dispute settlement provisions of both the GATT and the FTA. Canada has invoked GATT dispute settlement procedures regarding the current U.S. countervailing duty investigation against softwood lumber and the anti-dumping and countervailing duty investigations against magnesium. It has indicated its intention to pursue, if necessary, binational review under Chapter 19 of the FTA once final determinations are made in each case. Canada has also commenced the FTA dispute settlement process by requesting consultations under Chapter 18 of the FTA regarding the U.S. interpretation of the rules of origin in respect of Honda Civics manufactured in Alliston, Ontario. Should these consultations fail to produce an acceptable solution, Canada will request a panel to resolve the matter.

A chronological listing of specific Canadian actions is presented below.

Canadian Actions Under the Free Trade Agreement

The following are the binational panels that have been instigated at Canada's request under the Free Trade Agreement since January 1, 1989.

Chapter 18 Panels

- **Minimum Size Requirements for Imported Lobster:**
Established in January, 1990, this panel upheld the U.S. minimum size requirements imposed on imported live lobster.

- **Non-Mortgage Interest as Territorial Content in the FTA Rules of Origin:**
Canada is challenging the U.S. interpretation of non-mortgage interest in the FTA rules of origin. The panel was established in January, 1992.