

Canada-United States Trade Agreement

Overview

The Canada-United States Trade Agreement reproduced in these pages is the biggest trade agreement ever concluded between two countries. It covers more trade and more trade-related issues than any other trade agreement and breaks important new ground which will be of lasting value to the Canadian and US economies.

The Agreement sets a new standard for trade agreements concluded under the General Agreement on Tariffs and Trade (GATT). It takes various GATT commitments, bilateral arrangements and ad hoc understandings and transforms them into a treaty-based relationship between Canada and the United States which should govern the trade and economic relationship for the foreseeable future. The agreement meets the test of fairness and of mutual advantage. It is a win-win agreement.

Once in force, the Agreement will chart a new course for the largest and most important trading relationship in the world. As a result, the economies of both countries will grow and prosper. It will add significantly to economic growth, incomes and employment in Canada. Canadian business will become more competitive in the Canadian market and world markets. Canada will become a stronger, more confident country in the world trading community. It will mean a richer Canada, a Canada which can afford to maintain and enhance the quality of life through, and for, Canadian cultural endeavours. A richer Canada will allow governments to stimulate economic development in Canada's poorer regions and maintain a safety net of social programs for all Canadians.

The accord sends a powerful signal against protectionism and for trade liberalization. It reflects the commitment of both governments to liberalize trade on a global basis through multilateral trade negotiations under the GATT.

The text of the agreement faithfully translates the elements of agreement reached on October 4, 1987 into binding legal language. To aid in the interpretation of this text, the annotations put in plain and