

One of these examples is the experience of countries which formed the European Economic Community (EEC) in 1958. In the 10 years following the formation of the EEC, internal EEC trade rose substantially and each of the member countries significantly improved its standard of living.

All Regions Benefit

- Free trade between Canada and the United States will benefit *all* Canadian regions and *all* broadly defined industrial sectors. Consumers will gain as a result of the broader availability of goods at lower prices. As a result of eliminating Canada-U.S. tariffs, the cost of U.S. consumer goods imported into Canada should be reduced by about 5 per cent. Businesses will gain through reduced prices of imported intermediate goods, lower production costs made possible by the realization of economies of scale, and reduced uncertainty as a result of the more secure access to the large U.S. market.
- Even Canada's more protected industries will benefit from Canada-U.S. free trade, for several reasons. First, those industries which receive high protection in Canada are often highly protected in the United States as well, so that the elimination of trade barriers between the two countries will leave the relative competitive position of these industries largely unaffected. Second, the more highly protected indus-