

FOREWORD

Canada and the United States are each other's principal trading partner. This relationship has been considerably enhanced through a series of trade agreements which have led to a reduction of barriers to trade and investment.

The Canada-United States Free Trade Agreement (FTA), implemented January 1, 1989, reduced trade and investment barriers and provided a set of rules and procedures to govern the bilateral trading relationship.

On January 1, 1994, the North American Free Trade Agreement (NAFTA) was implemented and now governs the trading relationship between Canada, the United States and Mexico. The NAFTA improves the FTA in many areas and further reduces trade barriers that affect Canadian exports to the United States.

The recently concluded Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) will also bring down trade barriers maintained by Canada's GATT partners, including the United States.

Despite the progress achieved under bilateral and multilateral trade agreements, obstacles remain to the free flow of goods, services and investment between Canada and the United States. This register offers an illustrative compendium of the range and complexity of barriers that Canadian business people must cope with at the federal, state and local levels.

The Canadian Government is working to reduce these barriers. In some cases, the barriers are inconsistent with U.S. obligations under the GATT or the NAFTA and their elimination is being pursued within the framework of these agreements (see Chapter XII). In other cases, they will continue to be addressed as future opportunities for negotiations with the United States are presented.