

Executive Summary

The Canada-U.S. Free Trade Agreement is of significant economic benefit to Canada. It establishes a new trading relationship based on more secure and more open access to each other's markets. This will bring benefits to many sectors of the Canadian economy.

When the Agreement is fully implemented in January 1998, consumers will reap a number of benefits. Generally, they will have a greater selection of goods and services at lower prices. Specifically, they can expect the following when tariffs are completely eliminated:

- the cost of living of low-income families will decline by three per cent or about \$325 a year;
- the cost of living of middle- and high-income families will decline by two per cent or about \$800 a year;
- the average family of four will save between \$85 and \$130 annually on food expenditures;
- the typical middle-income family will pay up to \$8,000 less to establish and furnish a home;
- increased competition from imports will improve the price, quality and variety of all consumer products, including those produced in Canada.

In addition to all these benefits, the Agreement maintains Canadian technical standards designed to protect consumer interests. U.S. products must continue to satisfy Canadian regulations for consumer information and protection.