



INTRODUCTION

Canadians know from experience that trade brings great benefits to all. Our country was built on it. Foreign trade is the basis of our current prosperity. In fact, exports account for roughly 30 per cent of our income and trade with the United States, our biggest customer by far, brings in roughly a quarter of every dollar we earn.

For the past 50 years, Canada has been seeking to gradually reduce barriers to trade through bilateral and multilateral negotiations. The new trade agreement that has just been negotiated with the United States is the most significant step in this process — a process that will ensure that trade with our major partner will flow more freely and securely by the end of the 20th century. It is an Agreement designed to prepare Canada for the 21st century. The Agreement will:

- ensure our industries can grow from their Canadian base;
- encourage new investment in world-class Canadian enterprise;
- create a more stable and certain framework for co-operative relations between Canada and the United States; and
- set a bilateral precedent for global action.

This Agreement will give us improved and more secure access to the world's largest market. It will encourage Canadian producers to improve their competitiveness — and give them a market large enough to create the economies of scale and specialization necessary to be competitive in