

EAMIP PROJECT NO GB06

TITLE: Canada-USA Sector Free Trade Studies

RESPONSIBILITY: Project Manager: A.L. Halliday, CPDS
Project Officer: to be determined

PRESENT SITUATION:

The trade policy review called for the careful consideration of the advantages and disadvantages of limited free trade in particular sectors with the USA. A coordinator is required to ensure that the necessary follow-up occurs. Several sectors have been identified for study: urban mass transit equipment, textiles and clothing, steel, telecommunications, petrochemicals, heavy electrical generating equipment, computer services and beef. The examination of the steel and the urban mass transit sectors is well advanced. Work will begin shortly on telecommunications, petrochemicals, heavy electrical generating equipment and clothing and textiles. Consultations with industry, the provinces and US Administration officials about the possibility of limited free trade arrangements on steel have taken place.

OBJECTIVE:

The objective of this project is to assess the pros and cons of sectoral free trade between Canada and the USA for individual sectors.

GOAL:

A series of papers dealing with specific sectors will have to be produced during the next two years outlining the advantages and disadvantages of limited free trade. This work should identify certain sectors that would be appropriate for limited free trade between Canada and the USA. It will also provide Ministers with adequate information to enable them to decide if sectoral free trade negotiations should be pursued.

DESCRIPTION:

The following bureaux of the Department will be affected by or involved in this project: the Industries and Resources Bureau (TID), the United States Relations Bureau (URD), and General Trade Policy Bureau (EPD). The Energy, Transport and Science Bureau (ETD) and agricultural trade policy divisions could be affected or involved. Intra and interdepartmental discussions will also take place. Meetings will be held with industry and the provinces to obtain views on the possibility of limited free trade in certain sectors. The analytical work on individual sectors will cover the strength and weaknesses of the Canadian industry; existing trade barriers, their impact and the effects of their removal; US interests; the implications of bilateral liberalization for Canada and the US; international obligations; and the form and "security" of any limited free trade arrangement. Various

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