

ELEMENTS OF A CANADA-UNITED STATES FREE TRADE AGREEMENT

SYNOPSIS

On October 3, 1987, Canada and the United States agreed in principle on the elements to be included in a Free Trade Agreement. These elements will be transformed into the actual legal text of the Agreement over the course of the next three weeks. A synopsis of the elements that have been agreed follows.

Objectives and Scope

The two Governments have agreed to establish a free-trade area agreement between them pursuant to the provisions of Article XXIV of the General Agreement on Tariffs and Trade with the following objectives:

- to eliminate barriers to trade in goods and services;
- to establish predictable rules, secure access and fair competition;
- to reduce significantly impediments to cross-border investment;
- to establish effective procedures and institutions for the joint administration of the Agreement and the resolution of disputes; and
- to lay the foundation for further bilateral and multilateral cooperation to expand and enhance the benefits of the Agreement.

The agreement will cover trade in goods and services and investment and involve federal, state and provincial measures.