

## Objectives

According to the official assessment of the FTA, at the outset, Canada had four major objectives in the bilateral negotiations with the United States.

- ° To seek more open access for Canadian exports flowing into the United States;
- ° To seek more secure access as "Canadians wanted to be sure that when they invested to serve the North American market they would not be subject to the whims of American courts and regulators. They complained that U.S. trade laws were being used capriciously to harass them".
- ° To secure a special provision for sensitive sectors; and
- ° To set an example to the world of reciprocal trade liberalization and to offer a model for the multilateral negotiations under the Uruguay Round.

## Accomplishments

The Canada-US Free Trade Agreement does three things:

1. It eliminates all tariff, and some non-tariff, barriers within the North American context. These barriers to trade reduce the real incomes of consumers, increase production costs, and distort the use of resources away from their most efficient allocation. The fact that many U.S. tariffs rise with the amount of manufacturing content has restricted and discouraged Canadian manufacturers. The removal of the limitations is of great importance to the future restructuring of Canadian industry.