

The Prosperous Future

With the implementation of the Canada-United States Free Trade Agreement, trade between the two countries has entered a new and significant phase.

The tariffs of both countries have been falling for over a quarter of a century, and last year over 70 percent of the flow was tariff-free. The remaining ones will be eliminated by 1998.

In 1987 almost \$165 billion worth of goods and service transactions moved across the border, and the current account between the two countries was in essential balance.

This is a cause for optimism—past growth reflected the dropping of trade barriers, and the prospects for new, accelerated growth are brighter than ever.

The Free Trade Agreement will serve as a model for other trading nations around the world. Canada and the United States are active members of the General Agreement on Tariffs and Trade (GATT)—part of the multi-national, interdependent trading world—and they are committed to further reductions in tariffs and non-tariff barriers around the globe. They are committed to opening up all markets to the products of other nations and to the extension of GATT regulations to cover the rapidly growing trade in services.

Trade is not a contest with a loser to match every winner. It is the foundation on which prosperity in the late 20th century is built. Conducted openly and freely, it benefits everyone. Canada and the United States are good examples of the virtues and profits of such cooperation.

Canada and the United States have worked together to achieve much in the past. They are looking forward to the future.

Canada

Canadian Embassy/Ambassade du Canada