

The FTA – Key to Our Strategy

To make Canada a good place in which to do business, we needed stable prices, sufficient venture capital, a hospitable regulatory climate and a fair tax system. As a trading nation, the key to this strategy was getting our trade relationship with the United States right. The Canada-U.S. FTA proved a practical way to address that goal.

The FTA placed our economic relationship with the United States on a solid, more open, rule-based footing. It allowed us to reinforce our position as a strong and sovereign nation by reaping the benefits of a closer trade and economic relationship with the largest economy in the world and the country that is our most important trading partner.

The FTA not only tackled the traditional barriers to trade in goods, but also made it possible for the many export-oriented service firms in Canada to take on U.S. competition on an equal footing. It established rules to govern bilateral investment flows and made business-related cross-border travel easier. It resolved a number of long-standing problems and set up procedures to make it easier to address the inevitable disputes that arise in a \$250-billion-a-year trading partnership.

A Broadly Based Strategy

The FTA was only one element in Canada's trade strategy. Concurrently, Canada was at the forefront in launching a new round of global trade talks at the GATT. Our objectives in each forum were the same:

- to gain as much access to world markets as possible for competitive Canadian producers, workers and investors;
- to secure that access with balanced, mutually advantageous rules; and
- to enshrine that access in agreements that include equitable and expeditious procedures for resolving any problems.

