

free after the full implementation of MTN tariff cuts in 1987. In the reverse direction the figure will be 65%;

- more than a quarter of our two-way trade with the U.S. is already covered by sectoral arrangements - the Autopact and Defence Sharing Arrangements.
- economic interdependence, forged by trade flows, is a fact of the international economy; in Canada's case this means progressively more intense economic exchanges with the U.S.
- cyclical forces are strengthening this tendency; the sharp United States economic upturn is the 'locomotive' for recovery throughout the international economy. This influence is of course particularly pronounced on Canadian exports.
- for a number of important Canadian industries the U.S. represents the most accessible and promising market on which to base future growth and efficiency.