

Background Information

What are the benefits?

- a more productive and efficient economy able to compete globally as well as with the United States.
- a better and more secure relationship with our principal customer and supplier.
- a boost in our wealth.
- lower prices for consumers.
- an enhanced ability to influence decisions in Washington which affect our well-being, i.e., within a better framework of rules.

What would we seek?

- security - curbs on the U.S. capacity to restrict Canadian imports (better rules of the road).
- enhancement - relief from Buy America provisions
- enshrinement - broad elimination of U.S. tariffs.
- institutional provisions to commit Congress and the Administration, to settle disputes and to implement the agreement in an equitable and bi-national manner.

How would we pay?

- reciprocal curbs on our capacity to restrict U.S. imports.
- reciprocal elimination of tariffs over broad range of sectors (phased in over a period of years).
- reciprocal openings on government procurement.
- new rules on investment and services.

Is such a deal negotiable?

- preliminary discussions with U.S. Administration and Congressional spokesmen suggest all these issues are open to meaningful negotiations.
- negotiations could start with everything on table, but allow exemptions and