

The "muscle" in the safeguards is that the companies would lose the right to import duty-free the models that are built outside of Canada -- which represent a significant portion of their product line. That's a powerful incentive.

If I may refer to Ford's Mr. Rehor again he put it this way:

"You'll have the same safeguards you've had for the past decade. These plants could have closed and relocated in the United States under those terms but they haven't. The reason the plants have stayed open in Ontario is that they're more competitive."

"They're able to cut the mustard quality-wise and they're cost-effective."

So the auto pact is still there. Only now we're calling it auto pact plus.

Automotive products like replacement parts and tires that are not now covered by the pact will trade duty-free. That means a great deal to our automotive parts industry.

So does the requirement that cars and trucks built by Japanese and Korean automakers must have a 50 per cent North American content to gain duty-free treatment.

Canadians build many of those parts and are competitive -- and the new rules mean they'll also be able to supply those offshore automakers at their plants in the United States as well as Canada.

Small wonder then that the President of the Automotive Industries Association of Canada, Dean Wilson, says a consensus of his membership favours free trade.

The auto pact has not been hurt by the agreement our negotiators have reached. It's been enhanced to the benefit of Canadians.

I'd like to turn to another area of our trade with the United States that's often overlooked when people think about exports.

That's the services area -- and I'm talking about Canada's world-class skills in such fields as consulting, engineering, computer services, telecommunications, transportation, banking and life insurance.