

Such an agreement would have given a tremendous advantage to the United States by making it the only country with barrier-free access to all of North America. We couldn't let that happen. We had to be at the table.

Canada entered the NAFTA negotiations with three objectives. First, we wanted to improve upon the FTA while maintaining the benefits already achieved. Second, we wanted better access to the Mexican market. And third, we wanted to preserve Canada as a preferred location for investment. Today, two years later, I am proud to say that Canada achieved these objectives.

The NAFTA is a comprehensive agreement that improves and broadens the FTA to cover such areas as intellectual property protection and land transportation. The Agreement clarifies the rules of origin for products made in North America and improves customs operations. It also strengthens the FTA's dispute-settlement mechanism.

Under the NAFTA, Mexican tariffs, licensing requirements and other barriers will be eliminated. Canada will be able to rebalance its trade with Mexico, especially in the automotive sector. These improvements give Canadian businesses new opportunities in North American markets and place them on an equal footing with their American and Mexican competitors.

Investors now have more reasons than ever to set up operations in Canada. With secure, guaranteed access to the world's largest trading arrangement of 360 million consumers, investors can focus on the other advantages Canada offers, such as a highly skilled and highly educated work force.

But first the NAFTA must be ratified by Canada, the United States and Mexico. All three governments have pledged to implement the Agreement on January 1, 1994, and all three leaders have made it clear that the agreement to negotiate side agreements on the environment and labour does not entail reopening the NAFTA itself. Yet some critics have accused the Canadian government of moving too fast on the NAFTA legislation.

This is nonsense. The deal was signed last December and will go into effect next January. With an election coming in the fall, it is only prudent that Canada's Parliament should deal with the bill before the summer recess. Section 242 of the Canadian bill stipulates that the provisions of Canada's NAFTA law will not take effect unless and until the United States and Mexico have taken their own implementing actions.

Furthermore, it is important that our exporters be able to make plans with the full confidence that Canada will live up to its commitment.