

IBM, Bell Helicopter Textron, and Procter and Gamble.

For example, 3M is building a new industrial tape plant in Brockville, Ontario and is expanding three existing plants in Ontario and Manitoba. U.S. tariff cuts included in the FTA were cited by 3M as an important factor in these investment decisions.

Under the FTA, Canadian products receive "national treatment" on most sales to U.S. government departments. New bilateral panels work to speed settlement of trade disputes and ensure fair appli-

cation of trade laws. Wherever possible, Canadian and U.S. standards, testing and certification procedures are being harmonized. And business travel and temporary residency have been made easier for Canadian and American professionals and service providers travelling to the other country.

### **THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)**

Effective January 1, 1994, the North American Free Trade Agreement (NAFTA) improves the FTA and adds Mexico to this free trade zone.

Mexico has provided immediate duty-free access for many of Canada's key export interests including agricultural and fish products, many metals and minerals, most telecommunications equipment, many types of machinery, and certain wood and paper items. Mexican tariffs in sectors such as furniture, pharmaceuticals, and some wood and finished metal products will be phased out over 10 years.

Most of Mexico's non-tariff barriers such as import licences will be eliminated within 10 years.

### **THE NORTH AMERICAN FREE TRADE AGREEMENT: KEY PROVISIONS**

<b><i>Tariffs eliminated</i></b>	<i>Tariffs on Canadian exports to Mexico will be phased out over 10 years. Mexico has provided immediate duty-free access for many of Canada's key export interests.</i>
<b><i>National Treatment</i></b>	<i>Canada, the U.S., and Mexico treat each other's goods, services, and investors as they treat their own. International investors with investments in Canada are covered by NAFTA if they use Canada as a "home base" to make investments in the U.S. or Mexico.</i>
<b><i>Secure Market Access</i></b>	<i>NAFTA provides secure access for Canadian exports to the U.S. and Mexico.</i>
<b><i>Dispute Settlement</i></b>	<i>Settlement or determination of remedies regarding anti-dumping and countervailing disputes is by bi-national panels, not domestic courts. Disagreements between investors and NAFTA governments may be settled through international arbitration.</i>
<b><i>Government Procurement</i></b>	<i>All three countries have agreed to provide substantially increased access to government procurement opportunities not only in goods, but also in services, including construction services.</i>
<b><i>Business Travel</i></b>	<i>Simplified procedures expedite business travel. Eligible business people can be granted temporary entry without prior approval procedures.</i>
<b><i>Intellectual Property</i></b>	<i>NAFTA includes comprehensive coverage of intellectual property rights to encompass standards of rules and enforcement.</i>