

2. The agreement establishes trade rules that will ensure a more predictable climate for commercial decisions on both sides of the border. As one observer has noted: "Trade rules are rules about investment. What a business wants to know when it builds a new plant is what size plant to build, what size market it is going to have". The agreement sets the stage for increased business activity and investment on both sides of the border.
3. While the agreement does not by itself eliminate trade disputes, it will forestall, or provide joint adjudication on, minor irritants. And if comprehensive bilateral North American trade rules are ultimately worked out, that should further improve commercial relations between the two countries.

#### Sectoral Benefits

The Canada-US Free Trade Agreement will be of significant economic benefit to the Canadian fishing industry. The Agreement will:

- ° Improve Canadian access to the large U.S. market for fish. Tariff reductions will give Canadian fish exporters an advantage over competing exporters from other countries and create opportunities for increased Canadian processing of value-added products and increase employment;
- ° Benefit Canadian fish exports through the dispute settlement mechanism. Exporters will be assured that anti-dumping and countervail cases will be judged strictly in accordance with the law. The time and money spent defending these cases will be lessened due to the existence of the dispute settlement process;