

trade regimes in the world. Their high tariffs, import licences and auto decrees blocked most Canadian exports to Mexico, while 80 per cent of Mexico's exports had duty-free access to Canada. The NAFTA will balance the scales.

- A set of clearer and more predictable rules of origin has been established. Among other things, this will help avoid the kinds of disputes we have had with the U.S. over Hondas.
- We got expanded access to the U.S. markets for textiles and apparel that don't meet the rules of origin. Among other things, this will allow for substantial increases in exports of Canadian wools suits and other wool apparel.
- With the exception of bilateral air services and basic telecommunications, all services are covered in the agreement. The services elements of the package will allow easier movement for business service personnel among the three NAFTA countries for marketing, technical support, and after-sales services.
- New provisions are in the agreement that cover the environment. Given the growing interest in environmental matters around the world, these NAFTA provisions are both innovative and might well serve as building blocks for future trade agreements.
- A large, government procurement package covering not only goods, but services -- including construction services -- has been agreed to.
- There is a stronger dispute-settlement system. Canadian companies as well as foreign investors will be reassured that their interests will be effectively defended in a strong, predictable and enforceable dispute-settlement system.
- Canada will continue to maintain its high standards for health, safety and the environment. The agreement also establishes rules to prohibit standards, regulations and procedures that are unnecessary obstacles to trade.
- At the same time, we maintained our protection for cultural industries, social services and health services, and marketing boards are not affected by the agreement at all.
- Finally, there is an accession clause providing for other countries or groups of countries to join the NAFTA. In this way, the NAFTA creates an important precedent for trade and economic co-operation between industrialized countries and developing countries. It is therefore not only good trade policy, it is also good foreign and development policy. It