

HIGHER INVESTMENT

- ◆ Since the FTA there has been a dramatic turnaround in American investment in Canada. Since 1989, Canada has been the net recipient of an average of \$2 billion per year.
- ◆ More investment is going into job-creating manufacturing facilities -- an average of 55% of annual total investment flow.
- ◆ A Canadian Manufacturers' Association survey of some 325 companies conducted in April and May 1992 found that nearly half the companies said they increased capital investments in Canada after the FTA came into effect while only 9% reduced investment.

INCREASING PRODUCTIVITY

- ◆ Real manufacturing output per person in Canadian industry rose by 0.4% in 1991, an unprecedented occurrence in a recession (in 1982, it fell by 4%).
- ◆ According to the Bank of Montreal, Canada's manufacturing productivity (not adjusted for inflation) rose 6.8% in 1991, compared to 1.3% in the U.S.
- ◆ Wood Gundy forecasts call for productivity in manufacturing to be up possibly as much as 8% in 1992, and 12% in 1993.

EFFECTIVE DISPUTE SETTLEMENT

- ◆ The FTA has provided Canada with a mechanism to ensure that disputes, which inevitably arise in the world's largest two-way trading relationship, are handled in a fair and expeditious manner.
- ◆ Under the FTA, of 12 completed cases involving challenges of U.S. trade actions against Canada, 7 have resulted in positive decisions for Canada.
- ◆ Decisions have generally been unanimous -- meaning American experts support the Canadian position.
- ◆ Experts consider the FTA dispute settlement mechanisms to be better than those of the GATT. Not only is FTA dispute settlement faster, but Chapter 19 FTA panel decisions are binding.
- ◆ In a number of instances the FTA has been used successfully to head off and protect Canada from new and potentially damaging U.S. trade legislation before it was passed into law.