

FTA. This will permit Canadian textile and clothing makers to further expand their export sales, which have already increased substantially under the FTA. Canadian apparel exports have increased by over 150 per cent since the FTA was implemented; Canadian fibre exports have also grown by almost 90 per cent. Canadian fabric and other textile product exports show an increase of over 50 per cent. NAFTA will provide even greater headroom for growth.

We also strengthened energy provisions through the NAFTA, obtaining stronger disciplines on U.S. regulators from interfering with freely negotiated contracts between Canadian exporters and U.S. buyers.

And we negotiated a very attractive government procurement deal. For the first time, suppliers of Canadian building materials will have competitive access to U.S. and Mexican government construction contracts. For the first time, Canadian service providers will have access to U.S. and Mexican government service contracts. Moreover, the U.S. has agreed to lift the Buy America restriction on loans provided under the rural electrification administration, a contract pool amounting to US\$1.5 billion a year. And even more exciting for Canadian firms, the U.S. under the NAFTA will waive the Buy America restrictions on contracts let by the Army Corps of Engineers, which last year -- by itself -- ran up almost US\$9 billion in procurements.

We entered the negotiations intent on making improvements to the FTA, and we did.

The NAFTA also gives a new edge to Canada's international competitiveness. It will enhance Canada's attractiveness as an investment base from which to serve all of North America.

Canada had a choice when it entered the negotiations. We could have stood back and let the United States and Mexico sign a deal by themselves. Such an agreement would have given a tremendous advantage to the U.S.: the U.S. would have been the only country with barrier-free access to all of North America. Under those circumstances, the decision of investors wanting to gain access to the entire North American market would have been obvious, to locate in the U.S.

Instead, we made the right decision, and that was to become a full partner in the wider North American market.

In addition to the significant market opening to Mexico, the provisions for services and investment will support hemispheric business planning and economies of scale, significant advantages in today's global economy.

With the prospects of the new, larger market in view, Canadian industry is already responding to the potential of the larger market. Canadian firms are demonstrating the entrepreneurial daring essential to our prospects as a pre-eminent trading