

continues to brighten. You have probably heard that two of the big car companies are investing an additional \$3 billion in Canada. With the NAFTA benefits, we can be confident of greater access to Mexico for these products.

For the first time, the dynamic Mexican auto and parts market will be truly open to our exporters. A new 62.5 per cent rule will define North American auto content. This figure balances the diverse interests of our auto sector -- the Big Three, Asian manufacturers and the parts industry. The new rules of origin will help our industry avoid disputes such as the Honda Civic case. The net result will keep Canada as a prime North American location for investment by auto makers, no matter where they come from.

Another sector of concern to Canadians is agriculture -- it is not just an industry, but a tradition and a way of life as well. We ensured in the FTA that the import quota system for dairy and poultry farmers and egg producers would continue. We have protected that right in the NAFTA. At the same time, we are opening the Mexican agri-food market to Canadian producers and food processors.

There has been a lot of talk, too, about textiles and apparel. Since the FTA began, the sector has made impressive gains in exports to the United States. For example, apparel exports to the United States have risen 60 per cent; yarn exports have more than doubled, and fibre exports have risen by 50 per cent.

We were determined to protect those gains, and we have done so. The rules of origin on textiles and apparel will be tighter. But for our exports that do not meet these new rules, we have negotiated quotas that give greater access to the United States. The terms negotiated in the NAFTA will ensure that we have a healthy and growing textile and apparel industry.

Similarly, Canada has benefited from the dispute settlement process established in the FTA. We have won a majority of cases. And now we have negotiated a strengthened dispute settlement system with safeguards to ensure that the system runs fairly. The rule of law, not power, will prevail in settling trade disputes.

Some of the considerations we had to keep in mind involve core Canadian interests -- cultural industries, medicare and social programs, water and the environment. The news is consistent with our commitments.

The NAFTA reaffirms the FTA by specifically exempting our cultural industries. We remain free to support our medicare and social programs, and unconstrained in protecting our water resources from large-scale exports.

This Agreement has a new and innovative ingredient for a trade deal: it talks about sustainable development, and environmental protection and enforcement, as fundamental objectives. In fact,