

The Canada-U.S. trade agreement is just what it says -- a trade agreement. It is not a customs or economic union. It does not mean that Canada and the United States will have identical laws and regulations. It is a comprehensive agreement designed to make trade between our two countries as free and secure as possible.

In general terms, Canada and the United States have agreed to:

- phase out all tariffs between our two countries by January 1, 1998.
- establish innovative rules for trade in services, the fastest growing component of international trade. The agreement will make border crossing and temporary entry for business persons much easier, something which I know a number of you will appreciate.
- expand opportunities to compete for government purchases in each other's country.
- provide secure access and non-discriminatory treatment for each other's investors. This is becoming increasingly important from a Canadian point of view. By the end of 1986, Canadians had \$39.9 billion worth of direct investment and about \$14.3 billion worth of portfolio investment in the United States.
- establish effective ways to settle trade disputes between our two countries, including binding, binational resolution of disputes over countervailing duties, anti-dumping and import safeguards.

and

- strengthen automotive industries on both sides of the border, not only by reaffirming our commitment to the Auto Pact, but also by expanding its application.

What does the agreement mean for Ontario?

First, some numbers.

- over 30 per cent of the goods produced in Ontario are exported--that is, roughly equivalent to the national figure.
- the total value of Ontario's exports in 1986 was \$56.2 billion--that is, more than \$6,000 for every man, woman and child in this province.