

The legal language of the Agreement will be worked out by experts from all three countries over the next few weeks, but the principles and main elements have been agreed on by the ministers. Following ratification of the Agreement by all three countries, it will come into force on January 1, 1994.

Mr. Wilson outlined what the Agreement means for Canada.

The reduction of Mexican barriers will provide new markets and opportunities for Canadian goods and services. Canadian firms will be able to participate in, and expand sales in, sectors that were previously highly restricted, such as autos, financial services, trucking, energy and fisheries. Mexican tariffs and import licensing requirements will be eliminated -- some immediately and others over 5 to 10 years -- providing barrier-free access to 85 million consumers.

The NAFTA contains a strong commitment to sustainable development and environmental protection and enforcement. For example, the NAFTA recognizes the right of each NAFTA country to maintain environmental standards higher than those recommended by international organizations. The Agreement also recognizes that the NAFTA countries should not lower health, safety or environmental standards to attract investment.

"The progress we have made on environmental matters in this NAFTA agreement is precedent-setting," Mr. Wilson said. "It is the first trade agreement to seriously address environmental issues."

The Minister noted that Environment Ministers of all three countries will meet on September 17, in Washington, to develop a strategic approach to continental environmental issues.

Mr. Wilson said that Mexican wage levels need not be a threat to Canadian workers and to the competitiveness of Canadian firms.

"Wages are only one, sometimes relatively small, factor in locating a business and in the cost of production. Canada has other advantages, such as good technology, quality services, access to capital, strong managerial expertise and a highly skilled work force. All of these combine to make Canada a prime location for investment in North America.

"This NAFTA deal is only one component of Canada's strategy to pursue trade opportunities and make our economy more competitive," noted Mr. Wilson. "It will help make us a key player in a new integrated North American market, one that will help keep Canadian companies competitive in the global marketplace and, in so doing, provide greater prosperity for all Canadians."