

We have already seen the benefits that the Canada-U.S. Free Trade Agreement has brought to Canada in the four years since its implementation. Our exports to the United States are setting record levels month after month.

Last year, exports to the United States rose a remarkable 13.6 per cent to \$122.3 billion, up \$14.7 billion from 1991. In 1992, we also saw the creation of 118,000 jobs in Canada.

The beginnings of this turnaround are in no small part attributable to our being partners in the FTA. Whether it is the accelerated elimination of tariffs -- worth \$8 billion in bilateral trade so far, with another \$1 billion slated in the third round -- or access to an exclusive dispute settlement mechanism (more than half of the completed panels had positive results for Canadian industry), all point to advantages of the bilateral trade agreement.

This experience with the FTA shows that participation in the NAFTA will provide further benefits for Canada.

The NAFTA clarifies the FTA's rules of origin, making it simpler to determine what percentage of a product is made in Canada. This means that exports from Ontario, especially automobiles, are less likely to be challenged by our trading partners when they cross the border. But if they are challenged, the NAFTA strengthens the FTA's dispute settlement mechanisms.

In addition, the NAFTA harmonizes customs procedures, expands coverage of service sectors, and extends the refund of duties paid on non-North American parts. The Agreement also makes it easier than ever for Canadian business people and professionals to work for short periods in the United States.

As well as creating new possibilities for the province's exporters, the NAFTA improves Ontario's ability to attract investment dollars. Because of the Agreement, companies opening new businesses in the province now know that they can sell their products to 360 million consumers in Canada, the United States and Mexico, making Ontario a better place than ever to invest.

The NAFTA also safeguards Ontario's fruit and vegetable growers by allowing Canada to take measures against any sudden surge in Mexican imports. Finally, the NAFTA provides better quotas for textile and apparel exports to the United States to offset changes to the rules of origin.

The NAFTA will not by itself revolutionize Ontario's economy, but it will open new doors for Ontario companies looking to sell in Mexico and the United States. The federal and provincial governments are ready to help, too, with market studies of the