

economically and to upgrade its industrial facilities, opportunities for Ontario machinery and industrial equipment producers will increase.

Telecommunications and information technology is another sector of Ontario's economy that will enjoy expanded opportunities because of the NAFTA. The Agreement removes tariffs and licensing requirements on telecommunications equipment and encourages co-operation toward harmonization of equipment standards for the entire continent. In addition, the Mexican telecommunications sector is being privatized and deregulated. By the year 2000, Mexico is expected to import 42 per cent more telecommunications products, and its demand for imported information technology will likely increase by more than 30 per cent in the next five years. As a result, the Agreement provides even greater opportunities for telecommunications and information technology companies in Ontario.

Many other sectors of Ontario's rich and diversified economy stand to gain from free trade with Mexico. For instance, the reduction of tariffs and licensing requirements should help Ontario's forest industry capture a share of the growing Mexican market for pulp, paper and wood products. Early elimination of Mexican tariffs for nickel, magnesium, and some copper and aluminum ingots means new opportunities for the province's mining and mineral products industry.

As Mexico's standard of living improves, Mexican imports of specialty food items will increase. Ontario is well positioned to benefit from the growing Mexican demand for packaged foods.

The NAFTA also gives greater operating freedom and investment opportunities to Ontario's banks and financial institutions.

All these new Mexican opportunities will not suddenly shift this province's export pattern. As you know, 85 per cent of Ontario's exports -- some \$60 billion worth -- are sold in the United States. The NAFTA is not likely to change that in the near future.

That is why it was important that the NAFTA strengthen and preserve Canada's access to the United States obtained in the Canada-U.S. Free Trade Agreement (FTA), ensuring that Ontario's exporters continue to build on their success south of the border. The NAFTA does just that.

I know that critics, including some in this province, are out to prove that the FTA is not working. We have never denied that there would be adjustments as the FTA began to kick in. I am also the first one to admit that, yes, we have had our problems in a period of recession. But that recession would have been much worse without the FTA. Let's just look at the facts.