FUTURE DIRECTION

Partly as a result of access to the North American market, many multinationals are giving their Canadian subsidiaries North American, if not global, mandates to take advantage of economies of scale in their manufacturing processes. Companies adopting this strategy include 3M, Dow, DEC, IBM, Bell Helicopter-Textron, and Procter and Gamble.

This company's manufacturing has been integrated since 1972. We are now moving towards our vision of North American manufacturing mandates. The free trade agreement has facilitated this process.

Tony Marranca, Vice President Human Resources and Administration Services 3M Canada Inc.

Because of the national treatment provisions, and the extension of NAFTA coverage to all companies incorporated in a NAFTA country, regardless of country of origin, foreign investors can locate in Canada with the assurance that they will have secure access to markets in the U.S. and Mexico.

Moreover, the NAFTA also has provisions for accession by other countries. Negotiations are currently under way with Chile, one of the most successful Latin American economies. Argentina and several other Latin American countries have also expressed interest in joining the NAFTA to create a wider free-trade area in the Western hemisphere.