

Canada as an increasingly attractive base for their North American operations since the implementation of the Free Trade Agreement."

Myth number four: the FTA has done nothing to stop trade disputes between Canada and the United States.

Of course there have been disputes. That's nothing new. The difference is that one of the most important aspects of the Agreement, for Canada, is the mechanism it provided for fair and rational management of them when they occur.

Since 1989, Canada has requested panel reviews of 24 decisions by U.S. agencies. More than half of the completed panels resulted in favourable decisions for Canadian firms and businesses.

What recourse would those Canadian firms have had without the Free Trade Agreement? Only one: to appeal the decisions through expensive and time-consuming judicial processes in U.S. courts. These processes could drag on for as long as 10 years. Under the FTA, the maximum period is 18 months.

The bottom line is that the Free Trade Agreement clearly defined the rules of trade and provided the best possible guarantee for workers and jobs in industries that depend on trade. The recession was long, hard and painful, but its effects would have been more harsh and more cruel had it not been for the Free Trade Agreement.

Today, as we enter a period of new economic growth, we again look to trade as the means to secure Canada's lasting prosperity. This conviction led us to negotiate the North American Free Trade Agreement.

The NAFTA improves the FTA model in several important ways. It means:

- fairer and more predictable rules of origin, particularly with respect to North American content in the automotive trade;
- new customs procedures that will reduce risks of unilateral interpretation of the rules;
- expanded quotas to the United States for textiles and apparel;
- the inclusion of intellectual property rights and certain transportation services;