

### CANADA/MEXICO RELATIONS

Canada's relationship with Mexico is broader and more substantial than our relationship with any other nation of Latin America. There has been significant participation by Canada in the Mexican economy, with the flow of trade increasing four-fold between 1979 and 1981; however, as a reflection of the Mexican economic crisis, Canadian exports to Mexico have dropped subsequently. Imports from Mexico on the other hand, dominated by crude petroleum, steadily increased and Mexico supplied, at its peak in 1983, almost one quarter of Canada's imported oil. The two-way trade in the period 1982-85 placed Mexico as our eighth ranked trading partner globally and represented about 1% of our global trade. In 1988, two-way trade increased to \$1.8 billion, the largest level of activity which Canada had with any country in the region; our leading exports to Mexico were agricultural products and Mexico's main exports to Canada were automobile parts. Canada is currently Mexico's fourth largest export market. Approximately 160 Canadian companies have established joint ventures in Mexico.

The institutional framework for the bilateral relationship is comprehensive and dynamic. The Joint Ministerial Committee (JMC) met in March 1986 for the sixth time since 1971, while active committees of officials are in place to discuss trade relations, energy, agricultural and industrial cooperation, cultural affairs and consular issues. The seventh meeting of the JMC is scheduled to take place in Canada in late January, 1990. The relationship has been marked by a vigorous programme of senior political visits. Prime Minister Trudeau visited Mexico three times in 1981-82. President de la Madrid visited Canada in the Spring of 1984. There have been several Ministerial visits in recent years, including that of the Secretary of State for External Affairs to Mexico in January 1985, and for the JMC meeting in March 1986. Secretary of External Relations Sepulveda made an official visit to Ottawa in March 1988. President Salinas has invited Prime Minister Mulroney to visit Mexico in 1990.

Canada was represented at the inauguration of President Salinas de Gortari on December 1, 1988, by the Honourable Guy Charbonneau, Speaker of the Senate. The first Ministerial level contact with the new Administration took place when Secretary of Finance, Pedro Aspe visited Ottawa in February, 1989.