

relatively low transportation costs and a communications network of rail, road, air and telecommunications...

Our three countries contain 355 million people, more than the European Community's 324 million. Our combined gross national products total \$US 5.5 trillion, considerably larger than the Community's \$US 4 trillion. In economic terms alone, the potential is enormous...

I would now like to table our preliminary studies and provide you with some of the extensive research that was done in the private sector regarding Canada's decision to participate in these North American free trade talks.

However, before concluding my remarks, I should point out again that, up until recently, Mexico had a relatively closed economy that made it difficult for Canadian exporters to increase their sales. This was particularly true in areas such as telecommunications and public transportation where restrictive government procurement practices discouraged international trade.

Any study that is based on past experience therefore fails to capture the enormous potential of the Mexican market. Likewise, static econometric analysis does not lend itself to measuring the rapidly emerging opportunities in this increasingly dynamic market.

To manage change, we must anticipate it and shape it. We therefore need trade policies that are anticipatory and forward-looking. Conventional wisdom that is rooted in the past will not serve Canada's interests as we approach the 21st century.

To position ourselves for the future, we must participate in the Mexican trade initiative to build a North American free trade market of over 350 million people.

We will continue to consult widely and openly in the coming months to ensure that Canada is well prepared for next year's negotiations.

We therefore welcome your public hearings, and we look forward to receiving your recommendations.

Thank you.