

- Ladies and gentlemen, I've called this news conference to expand on the announcement made today by Prime Minister Mulroney, U.S. President Bush, and Mexican President Salinas with respect to free trade negotiations among the three countries.
- As the joint communiqué indicates, the three countries have decided to proceed with the negotiations on a trilateral basis because we believe that an open North American trading area will foster sustained economic growth through expanded trade and investment. We are talking about a market of 350 million people, and \$6 trillion in output -- one of the biggest markets in the world.
- Since last September, in meetings at both the officials level and the Ministerial level, we have sorted out how the negotiations could proceed on a trilateral basis, and we are now confident that we have a workable approach. Formal negotiations are expected to start this spring.
- The three countries are entering the negotiations as full and equal partners. We want the maximum possible liberalization in a comprehensive agreement responsive to the needs and aspirations of all three parties. There is no intention to renegotiate the provisions of the Canada-U.S. Free Trade Agreement.
- While all three parties are committed to a trilateral agreement, we recognize that there may be issues of an exclusively bilateral nature for which bilateral arrangements may be most appropriate. In addition, the parties will also be free to pursue bilateral negotiations if a trilateral agreement does not prove possible.
- Why has Canada decided to enter these negotiations? There are three major reasons.
- First, it is only by direct involvement that Canada can protect its interests and achieve the gains that result from liberalized trade. We want to build on the gains made in the Canada-U.S. Free Trade Agreement, especially with respect to business investment. If Canada were not involved in the enlarged free-trade area, important job-creating investment could well decide to go elsewhere.
- Second, we want improved access for our exports to Mexico, a burgeoning market of 85 million people. We believe that the Mexican and Canadian economies are complementary in a number of important sectors. For example, Mexico has great potential in the mining sector; we are important and highly competitive suppliers of mining operating skills, technology, and equipment. Similar points could be made in respect of our ability to meet Mexican requirements in the