

the customs duties on it have been removed upon ratification of the Agreement.

These benefits accrue not only to Canada, a developed, industrialized country, but also to Mexico, a developing country.

Developments in the European community have shown that it is beneficial for low-income and high-income countries to draw closer together economically. This was precisely the challenge in the NAFTA discussions -- to find a winning combination for all three parties.

In creating an open economic zone containing 360 million people and having a combined gross national product of more than \$7 billion, we are creating a climate in which ideas, energy and creativity can flourish. This Agreement can make all of us more competitive in world markets.

The new spirit of economic dynamism in Mexico, which is modernizing at an amazing rate, opens up many possibilities for our exporters of goods and services. The Bank of Nova Scotia's recent announcement that it is returning to the Mexican market, in association with a local establishment, is a good sign.

Slowly but surely we are seeing the world market recover. Our solid results in exporting are pointing the way. When full recovery has come, the NAFTA should be in force and everything will be ready for a real resurgence of the North American economy.

But sustained world recovery is contingent on the nations of the world successfully completing the Uruguay Round. We have no higher trade priority than this.

As a nation where more than one-quarter of the GDP is generated by international trade, Canada has benefited tremendously from a 10-fold increase in world trade since the creation of the GATT in 1947.

Now, like the other countries, we have a heavy stake in the Uruguay Round. Success in these negotiations would mean new tariff reductions and an expansion of the GATT rules to include agriculture, services and intellectual property.

Its failure would, at the very least, leave the world's trading system stalemated in the essential areas: it would favour a new and virulent increase in protectionism and would reverse the worldwide trend toward economic liberalism.