

NAFTA will also offer our financial services industry promising opportunities for investment, as Mexican restrictions on financial services will gradually be phased out.

In addition, early tariff removal under NAFTA is expected to offer new markets for products ranging from fish and fertilizer to agricultural machinery and telecommunications equipment.

I don't want to exaggerate the benefits. Better access to the Mexican market won't by itself be the winning touchdown of the international trade season, but it will win us important yards on a toughly competitive field.

It has not been easy during the last year to make the case for a NAFTA. Public opinion was at first sceptical. Then it grew hostile, as so many Canadians struggled in the aftermath of the economic recession. This is starting to change as Canadians see our exports to the U.S. at record levels, proving that the FTA is working, and that this same success can be repeated with Mexico.

Many members of the public are concerned about low wages in Mexico. They fear competition from Mexican workers. Let me reassure them. Mexicans want to be part of NAFTA so they can strive toward the same level of economic development as their two northern neighbours. They know that Canada's prosperity is based on good technology, quality services, access to capital, a strong educational development and, above all, a highly skilled workforce. Mexicans know that Canadians, with their superior level of economic development, are impressive competitors. Canadians should take comfort in those record export numbers and know that we can compete -- and are competing -- successfully.

Mexico's wage levels don't threaten Canadian workers. Canada's toughest competitors are high-wage economies, like the United States, the European Community (EC) and Japan. It's been said before, but it's worth repeating: if wages were the only criterion of competitiveness, why haven't all businesses in the hemisphere built their factories in Haiti? Why haven't all the factories in Europe gone to Greece or Portugal or southern Italy, all members of the EC?

The environment is also an issue for many Canadians. They fear Mexico will become a haven for polluters fleeing tight regulations elsewhere. In the NAFTA we have made some important progress on the environment front. We have set out to explicitly recognize the right of each NAFTA partner to impose environmental regulations higher than international standards. We wish to include the appointment of environmental experts to dispute settlement panels during trade disputes that have environmental implications. We are aiming to expressly prohibit any NAFTA partner from reducing environmental standards to attract new investment. These will be precedent-setting provisions for any