

Under the NAFTA, Mexican tariffs, licensing requirements and other barriers to the free trade of goods and services will be eliminated over time. This will give Canadian exporters guaranteed access to Mexico's market of 85 million consumers. As a result of the Agreement, Canada will have a chance to rebalance our trade with Mexico, especially in the automotive sector.

In addition, the NAFTA will create an enormous variety of opportunities for all Canadian exporters -- from our high-tech producers such as yourselves to our natural resource industries and everything in between. For example, by the year 2000, Mexico is expected to import 42 percent more telecommunications products. Its demand for imported information technology will likely increase by more than 30 percent in the next five years.

We don't claim the NAFTA will produce economic miracles. It will, over the long term, contribute to solid job-creating activity. But the NAFTA is only one component of our economic and trade strategy for Canada.

A successful conclusion to the Uruguay Round of the multilateral trade negotiations remains our number one priority. We have worked hard to advance Canadian interests and to achieve consensus. We remain hopeful that solid, trade-expanding agreements can be reached on improved market access and a new set of trade rules that could give a major impetus to growth worldwide.

On market access, we are looking at an overall one-third reduction in tariffs. Depending on how many zero tariffs we get, it could be closer to 40 percent. But even if we accomplish no more than a 30-percent reduction, world income would increase by at least US\$213 billion a year by the year 2002, according to a recent study by the OECD [Organization for Economic Co-operation and Development] and the World Bank. Canada's share of that new wealth would be some C\$2.5 billion.

But we expect to go beyond that. At the quadrilateral trade ministers' meeting in Tokyo in July, I helped get an interim agreement on total free trade in some areas. I expect more will follow, particularly in resource areas such as wood and paper, and in agricultural sectors such as oilseeds and vegetable oils.

A successful Uruguay Round would strengthen and improve the framework that governs world trade, expand our achievements in the FTA with our largest trading partner and further open markets around the world. Improved rules, clear definitions and better dispute settlement procedures would help us better protect and promote Canadian trade interests. And it will increase the confidence of exporters such as yourselves in freer and fairer trade.