

There are several reasons why we see opportunities in building a North American market.

First, the Mexican free trade initiative will allow us to build on our traditional North American market and to improve Canadian access to a market of over 80 million people. It makes good business sense to increase trade and investment on the continent we share with the United States and Mexico. With its central location, Manitoba is strategically positioned to take advantage of these opportunities.

Second, in the past four years, U.S. trade with Mexico has tripled to over \$60 billion. We must ensure that Canadian exporters get their fair share of the growing North American market.

Third, in the larger North American market, Canadian industries can invest with confidence, develop their technology and economies of scale, and increase their competitiveness.

Fourth, Canada can use the North American market as a springboard to increase our exports to Latin America and around the world. We see North America as the base from which we must develop our international competitiveness. If we cannot compete in our own backyard, how can we expect to compete abroad?

Fifth, by offering investors access to North America, Canada will become an increasingly attractive location for investment and jobs.

Sixth, recent developments in the GATT, Asia, Europe 1992 and eastern Europe have convinced us that a strong integrated North American market is in our national interests. We believe in a strong multilateral trading order, but we cannot ignore the development of regional trading blocs.

By participating in the Mexican free trade initiative, we can build a North American free trade market with a gross domestic product of over 7 trillion dollars. This is larger than the European Community's 12-nation market.

The population of North America is over 360 million. This is almost three times the size of Japan's domestic market of 125 million, and is considerably larger than the European Community's market of about 325 million.

But simple arithmetic does not tell the whole story. By joining together in a free trade agreement, Canada, the U.S. and Mexico will create an integrated North American market that is greater than the sum of its parts. Our three countries do not share identical competitive advantages in areas such as technology, labour, resources and capital. These differences in our