

have listened carefully to the views of the provinces, business, labour as well as distinguished academics and journalists many of whom have joined us for lunch today.

The consensus was clear. The majority view was that Canada should participate from the outset in the free trade talks which have resulted from Mexico's historical trade initiative.

We welcome Mexico's trade initiative and their commitment to growth and the improvement of their living standards through open and outward looking economic policies, particularly in the areas of trade and investment.

In recent years, the Mexican Government has greatly modified its import regulations and has significantly reduced tariff and other barriers to trade, particularly since 1986 when Mexico joined the GATT.

Just last week, Minister Serra announced that Mexico and Chile will sign a free trade agreement next month. At that time he stated that, although trade between the two countries is now relatively small, "the potential is tremendous".

Mexicans are clearly looking to the future and Canada intends to work closely with Minister Serra and his people as they develop their economy and standard of living through progressive policies.

Both Mexico and Canada realize that to prosper, we must develop a market-oriented economy that is capable of competing in the world economy. We both realize that the global economy is no longer a concept, it has quickly become a reality.

During the last several years, the Mexican government has initiated several comprehensive measures to strengthen their economy. I have already mentioned the landmark decision to join the GATT in 1986 which Canada warmly welcomed.

In addition, the Mexican government's economic policies have already brought their annual inflation rate down from over 150% to a more manageable 20%. In the recently released annual report of the International Monetary Fund, Mexico was commended for making real progress in dealing responsibly with its debt.