

Canadian firms to be able to take advantage of the increased economies of scale involved in the larger North American market. It was clear that without a NAFTA, job-creating investment would have been diverted from Canada to the U.S., robbing us of jobs and technology, while generating them for the U.S.

The NAFTA now being hammered into shape will meet these objectives. Some important decisions have yet to be made, but if the political will is there to put together a balanced and fair agreement, we will have a NAFTA that will open up new opportunities for Canadians which, when taken, will enhance Canada's future prosperity.

For Canadians, keeping our trade lines free of interference and tapping into new markets are vital. We rely on trade more than most industrial economies. We have, therefore, a comprehensive trade policy agenda that seeks to provide our exporters with the widest range of opportunities. In the last year we have consulted closely with Canadians to review their ideas about how the economy can be made more competitive. We intend to act on these ideas; the government will be outlining an action plan this fall.

But for a trading nation like Canada, strengthening competitiveness at home is only part of the equation. Opening world markets allows Canadians to demonstrate they can compete and, in so doing, provide greater prosperity for all Canadians.

NAFTA is only one component within this trade strategy. We need to work on many fronts at one time. That's why, though the pace is slow, we continue to press for successful conclusion of the Uruguay Round of Multilateral Trade Negotiations. That's why we are active in trade development in many parts of the world, especially in the important Asia Pacific region. That's why we negotiated the Canada-U.S. Free Trade Agreement to secure our access to our most important market, and that's why we are now trying to build a framework of rules to include Mexico.

Many Canadians are doubtful about the Mexican market. They wonder if Mexico can be a valuable customer for Canadian goods and services. Many still have an image of Mexico as it was a decade ago: an inefficient economy, over-regulated by government, that squandered its oil riches of the early eighties and ended up paralysed by enormous debts.

This view no longer conforms to reality. Mexico has undergone a remarkable transformation in the last half-dozen years. President Salinas is successfully carrying out a major economic reform program. He has reduced his country's debts and made them manageable. He has privatized nearly 1,000 state firms. He has eliminated stacks of useless regulations. His policies have encouraged a surge of investments. And to strengthen his