

in Geneva under the auspices of the General Agreement on Tariffs and Trade ("GATT").

On June 12th, Minister Serra and I met in Montreal to discuss our growing trading relationship and to consult regarding President Salinas' June 10th announcement in Washington that President Bush had agreed to the Mexican request to explore a comprehensive trade agreement between the United States and Mexico.

To prepare for these negotiations, President Salinas directed Minister Serra to work with his American counterpart, United States Trade Representative Carla Hills, to:

*undertake the consultations and preparatory work needed to initiate such negotiations, in accordance with each country's internal procedures, and to report back to the two Presidents as soon as practicable, but in any event before their next meeting in December.*

The fact that Minister Serra travelled to Montreal to meet with me immediately after President Salinas' official visit to Washington illustrates the high degree of consultation, courtesy and trust that characterizes our relationship.

Within a week of my June meeting with Minister Serra, I met with our International Trade Advisory Committee and I appeared before the House of Commons Standing Committee on External Affairs and International Trade to discuss the Mexican trade initiative.

At that time I stated that Canada had not decided whether we would be involved in the Mexican trade initiative and that we would use the summer months to consult with the provinces, business and labour representatives, and conduct studies regarding Canada's options. I also indicated that we should make a decision by September regarding our participation in these trade talks.

Minister Serra wasted no time in completing his preparatory work. During the August 8 meeting of the United States-Mexico Ministerial Commission in Washington, it was announced that President Bush proposed to seek negotiating authority from Congress early in the fall and it was expected that negotiations could begin later next spring.

The question of our participation in these talks has been extensively debated and written about in Canada since the prospect of a bilateral United States-Mexico free trade agreement first emerged last spring. We