

THE MEXICO  
TRADE TALKS —  
BUILDING  
ON THE  
CANADA-U.S.  
FREE TRADE  
AGREEMENT

The Canada-U.S. Free Trade Agreement has already been signed, sealed and delivered in Canada and the United States.

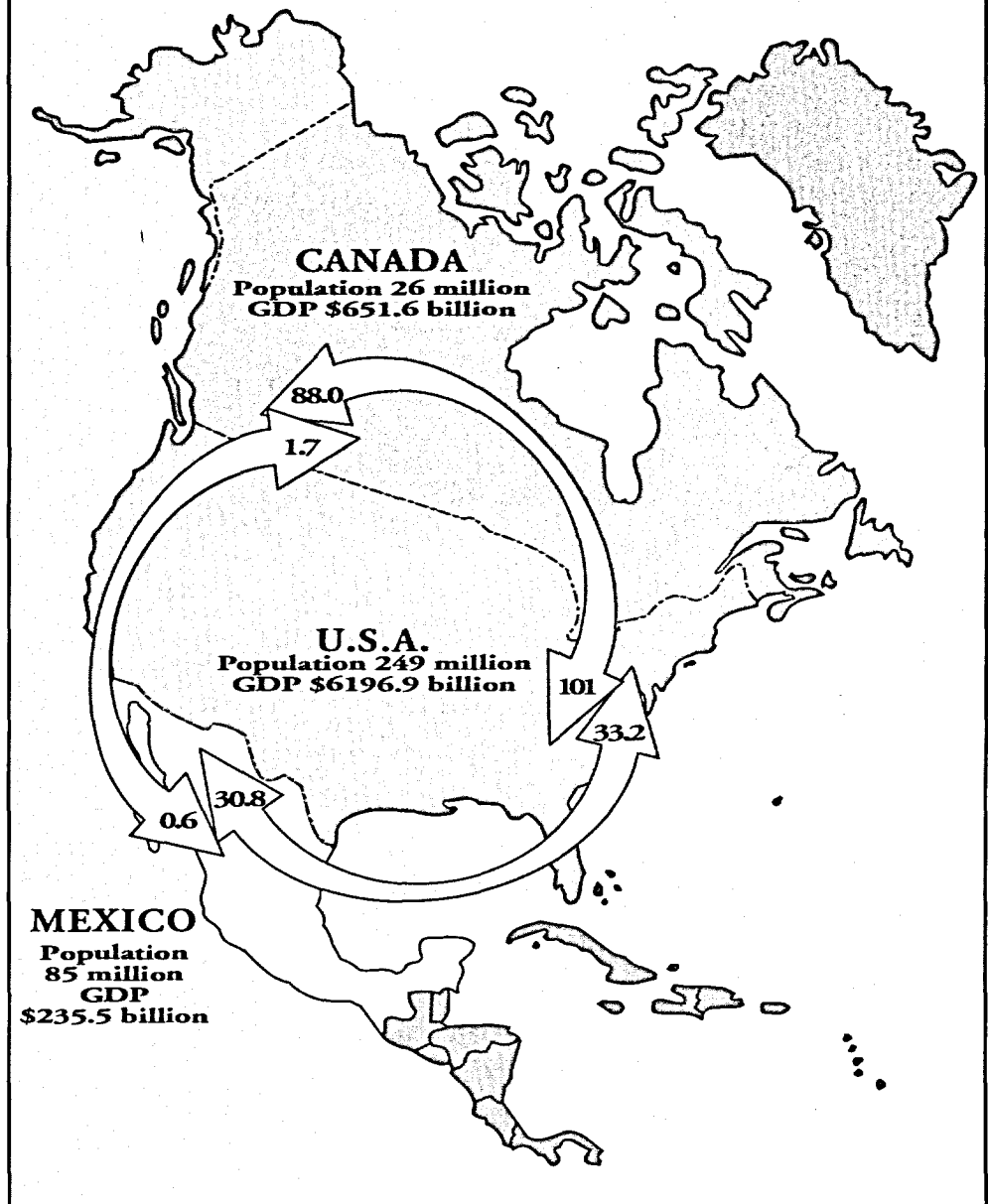
The Mexican trade initiative will build a North American free trade market that includes Mexico. What does this mean for the FTA?

The FTA can serve as a model in negotiating a North American free trade agreement. Canada is not obliged to renegotiate any provisions of the FTA. However, if it makes sense to alter any specific provisions of the FTA to achieve an expanded North American market, such changes can be considered.

CAN CANADA  
COMPETE?

History has established that Canada can compete. We have participated in every major trade negotiation since the 1930s. And we have benefited from these negotiations.

North American 1989 Trade Flows  
(\$ CDN)



Sources: Statistics Canada; U.S. Department of Commerce; IMF.

Each time Canada has proved that we can compete and trade with all countries, rich or poor.

In 1990, the highly respected World Economic Forum studied over 300 factors to determine the global competitiveness of the major industrialized nations. Canada was ranked in the top five, our human resources being one of our strongest assets.

Can Canada compete with the low-cost Mexican economy?

Yes. Canada is already competing with imports produced with low-cost Mexican labour. About 80 per cent of Mexican imports now enter Canada duty free. Certainly, our wages are higher. We can compete because we are highly productive and we produce quality goods and services others want to buy. Canada