



It seems that every time we turn on the news or pick up a newspaper, we witness another major change in the global economy.

Europe is being transformed by a chain of events that includes the creation of a single market in Western Europe by 1992, the reunification of Germany, and the momentous changes in the U.S.S.R. and Eastern Europe.

Closer to home, North America is just beginning to feel the effects of rapid changes taking place in Latin American countries such as Mexico.

Last summer, Mexico and the U.S. agreed to negotiate a free trade agreement. Over the summer, Canada also conducted preliminary consultations and studies.

We were persuaded that Canada should participate in the Mexican trade initiative. Why? An independent Canadian research group summed it up as follows:

By participating, Canada may gain greater opportunities to trade with a newly outward-looking 85 million-strong market.

By standing aloof, Canada risks losing growing Mexican trade to U.S.-based companies and losing investment to the United States because only U.S.-based firms would have tariff-free access to all three markets . . .

If Canada is to be constructively involved in the negotiations, it is important that Canada be involved from the beginning.

The C.D. Howe Institute

Last fall, we announced that Canada will participate in discussions with the U.S. and Mexico to achieve a North American free trade agreement.

Mexico is already Canada's largest market in Latin America, and we see exciting prospects on the horizon. The Mexico trade talks are an opportunity we cannot afford to miss.

This brochure explains Canada's interest in negotiating an agreement with Mexico and the U.S. to build a North American free trade market of over 350 million people. It also lets you know where you can get more information on this important trade initiative.

Over the coming months, we will continue to consult widely to ensure that Canada is prepared for the negotiations ahead.

John C. Crosbie
Minister for International Trade