

Our new emphasis on Latin America and relations with key countries like Mexico is matched by Mexico's President publicly noting Canada as one of the four countries with which Mexico should intensify relations. Several recent meetings of political leaders on the margins of international conferences, the success of the Joint Ministerial Committee meeting held in Ottawa in January, 1990, the visit of the Prime Minister to Mexico in March, and the visit of the Minister for International Trade in April are signs that both countries are making solid efforts to intensify the political and economic relationship.

Though bilateral trade dropped during the mid-1980's, it is now showing signs of recovery. In 1989 two-way trade totalled \$2.3 billion with Mexico having a positive balance of \$1.095 billion, an increase from the previous year of approximately 25 percent. This is Canada's largest trading relationship with any country in the region. Canada's leading exports to Mexico are agricultural products and Mexico's main export to Canada is automobile parts. Canada is currently Mexico's third largest export market. Approximately 160 Canadian companies have established joint ventures in Mexico and Canadian direct investment in Mexico totals approximately U.S. \$350 million. Presidents Bush and Salinas have announced their intention to negotiate a free trade pact which may include Canada.

Canada's direct bilateral assistance to Mexico is limited to the \$350,000 allocated for the Canada Fund for Local Initiatives. However, after the 1985 earthquakes Canada provided \$3.8 million for post-earthquake reconstruction and rehabilitation. Canada also provides assistance to Mexico through non-governmental organizations, industrial cooperation programs and the International Development Research Centre.

Approximately 550,000 Canadians travelled to Mexico in 1989 while the number of Mexicans visiting Canada was in the range of 70,000 to 75,000. Approximately 6,000 Mexicans enter Canada a year on work permits, mainly under the Mexican Seasonal Agricultural Workers' Program.