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INTERNATIONAL TRADE MINISTER CROSBIE ANNOUNCES CANADA TO
PARTICIPATE IN FREE TRADE TALKS WITH
MEXICO AND THE UNITED STATES

International Trade Minister John C. Crosbie announced today that Canada has decided to participate in discussions with Mexico and the United States to establish the basis for subsequent negotiations on a free trade arrangement among Canada, the United States and Mexico.

Prime Minister Mulroney has written letters to President Salinas and President Bush stating Canada's interest in participating in negotiations with Mexico and the United States on a North American free trade agreement which would benefit all three countries.

"In recent discussions with Mexico and the United States we have all agreed that Canada should participate in consultations designed to establish the basis for subsequent negotiations on a free trade arrangement linking Canada, the United States and Mexico", Mr. Crosbie stated.

"Over the next several months, we will be examining the scope, elements and procedures that would form the basis for subsequent negotiations. I am confident these preliminary discussions will be productive and demonstrate that a mutually advantageous agreement can be concluded. We do not expect formal negotiations to begin until sometime next year", Mr. Crosbie added.

In explaining the Government's rationale for taking this decision, Mr. Crosbie said, "We want to ensure our trade opportunities in the vital North American market. Mexico is an increasingly important part of that market, and a partner of growing importance to Canada.

We therefore have concluded that it is in the Canadian interest to participate from the outset in these free trade talks first initiated by Mexico with the United States. The alternative would be not to participate and to lose the opportunity to have a direct influence and role in negotiations which could affect our trading interests in the vital North American market."

Mexico is now Canada's largest trading partner in Latin America. Mexico's recent economic reforms and trade liberalization measures will lead to substantially increased Canadian trade with Mexico in the 1990's.

In recent years, Mexico has greatly modified its import regulations and has significantly reduced tariff and other barriers to trade, particularly since 1986 when Mexico joined the General Agreement on Tariffs and Trade ("GATT").

These reforms have created significant opportunities for Canadian exporters and investors and have set the stage for expanded Canada-Mexico trade.

Canada welcomes Mexico's commitment to growth and the improvement of its living standards through open and outward looking economic policies, particularly in the areas of trade and investment. There is, among the three countries, a mutual interest in achieving expanded growth through liberalized trade, resulting in expanded export opportunities.

"It is essential that Parliament and all Canadians be fully involved in the consultation process. We will continue to consult widely and openly in the coming months to ensure that Canada is fully prepared prior to the commencement of actual negotiations sometime next year", Mr. Crosbie said.

For more information, media representatives may contact:

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