

four years since the FTA, our merchandise trade with the U.S. has increased by 18.2 per cent -- despite a slowdown in the world economy.

Our January trade surplus with the United States of \$2.2 billion was up 78 per cent, or \$1 billion, from a year earlier.

Strong export growth indicates the increasing competitiveness of Canada's export-oriented sectors. Exports are fuelling Canada's economic growth and Canada is expected to lead the group of seven (G-7) leading industrialized countries in 1993. Recent indicators show both the Canadian and U.S. economies will post stronger performances this year.

We improved on the FTA and expanded its area of application when we signed the North American Free Trade Agreement along with our partners, the United States and Mexico. This will continue and augment the process of trade liberalization.

In the meantime, Argentina, Brazil, Paraguay and Uruguay have agreed to create the MERCOSUR common market by the end of 1994.

Arrangements such as the NAFTA and the MERCOSUR augment the GATT and share a common goal: freer trade that fosters market efficiencies in the interests of consumers as well as producers.

Both initiatives, though not yet implemented, have already produced dramatic increases in trade.

We are travelling parallel routes. The NAFTA and the MERCOSUR are not competitors. Instead, they represent common commitments to the principles of freer trade among nations.

The legislation to implement the NAFTA on January 1, 1994, is now before Canada's parliament. Once the Agreement comes into force in all three countries, applications for membership from other countries are anticipated.

The NAFTA is not an exclusive club. Nor is it intended to raise barriers against other nations. In my view, the NAFTA accession clause reinforces the partners' commitment to regional freer trade and to reinforcing multilateralism. Canada is willing to explore ways in which Argentina and other countries can become partners within the NAFTA.

I invite you to share with us a vision of the future that contemplates freer trade for all countries in this hemisphere and beyond.

As set out in the terms of the Agreement, the existing members will review all applications. Applicants would have to accept the disciplines and obligations of the Agreement. Argentina has