

It is worth noting that the greatest increase in sales on both sides of the border came from manufactured products, those that generate skilled employment. Liberalized trade favours those economic activities that add the most value at the site of production. It plays to a nation's strengths. This is why we favour the methodical pursuit of free trade wherever it can be achieved.

We improved on the FTA and, together with the United States and Mexico, expanded its area of application when we signed the NAFTA. This will continue and augment the process of trade liberalization.

The legislation to implement the NAFTA on January 1, 1994, is now before Parliament; similar legislative packages will be prepared by both Mexico and the United States. Once the Agreement comes into force, applications for membership from other countries are anticipated. Chile has expressed a clear interest, and Canada would view an application from Chile with favour.

As set out in the terms of the Agreement, the existing members will review all applications in the light of prevailing conditions. Those conditions do include a commitment by any applicant to observe the disciplines and meet the obligations of membership. Discussions on this issue will continue.

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

We can also agree to proceed with a number of concrete steps to strengthen Canada's and Chile's business relationship, while the implementation of the NAFTA proceeds.

The strong Chilean economy, founded on extensive free market reforms, is ample reason for heightened Canadian business activity here.

Canada's recent decision to remove Chile from the list of designated countries requiring our banks to maintain special reserves against potential loan losses underlines our recognition of Chile's sound economic management.

To further improve the climate, the governments of Canada and Chile together can erect a stronger institutional framework. That is why Minister Foxley and I are discussing the possibility of negotiating double taxation and foreign investment protection agreements that will add to the predictability and stability of the Canada-Chile relationship.

That relationship is excellent. Canada's interest in Chile has never been stronger, as the size of the Canadian business