

Canadian producers in the markets of the other two signatories and reinforces Canada's position as a favoured site for investment (both domestic and foreign). Furthermore, the NAFTA envisages additional negotiations (but without reopening that which the signatories have already achieved) in such areas as government procurement (accounting for perhaps one-sixth of North American production annually), cross-border trade in financial services and, in a very forward-looking agenda item for the 1990s, the relationship between competition law and trade, including the possible replacement of anti-dumping regimes within the free trade area.

The acceptance of the Canadian proposal for the inclusion of an accession clause in the NAFTA opens important, even exciting possibilities.³⁴ Accession opens the door to improved and more secure access for Canadian producers in other markets on a mutually beneficial basis without reopening the rules governing our relations with the U.S.. Accession means that other countries, in order to gain preferential access in the North American market, will have to accept the high quality generic disciplines of the NAFTA (subject to the possibility of limited reservations to be negotiated). In this regard, it would be best not to view NAFTA as the vehicle for full hemispheric economic integration in either the Americas or on a trans-Pacific basis. Over the next several years, some Latin American countries could make excellent partners as they should be prepared to negotiate in a broadly reciprocal manner (e.g., certainly Chile, perhaps Argentina, Colombia and Venezuela). Many others will likely require more time in the face of domestic economic policy confusion. Across the Pacific, surely the NAFTA dynamic could include Australia, New Zealand and perhaps Korea (historically uncomfortable with Japanese regional leadership and increasingly committed to open markets). The ASEANs and the PRC, on the other hand, do not yet appear ready for such sweeping, legally binding commitment.

Accession will further strengthen an outward-looking trading culture in Canada by encouraging Canadian entrepreneurs to seek market niches beyond the United States and by obliging Canadians, in a creative response to the pressures of globalization, to continue reshaping domestic policy in a measured and progressive

³⁴ NAFTA Article 2204 reads as follows:

1. Any country or group of countries may accede to this Agreement subject to such terms and conditions as may be agreed between such country or countries and the Commission and following approval in accordance with the applicable legal procedures of each country.
2. This Agreement shall not apply as between any Party and any acceding country or group of countries if, at the time of accession, either does not consent to such application."