

INTRODUCTION

The Government thanks the members of the Standing Committee for their work leading to the comprehensive December 2002 report *Partners in North America: Advancing Canada's Relations with the United States and Mexico*. As we approach the tenth anniversary of the implementation of the North American Free Trade Agreement (NAFTA), the Report is timely in highlighting the opportunities and challenges for Canada posed by ever-increasing interdependence within the North American space.

The Report underlines that Canada's economic growth, prosperity and physical security are tied, more than ever, to the future of the continent. It is in our nation's vital interests to develop and promote the vibrant relationships which are contained within North America: Canada-United States (US), Canada-Mexico, and Canada-US-Mexico. At stake is Canada's future economic growth and prosperity, the physical safety and well being of our citizens, and the state of our shared environment.

The Report describes how managing relations with our North American Partners is pursued both on bilateral and trilateral bases. Our bilateral relationships with the US and Mexico have proven enormously successful, and continue to present the clearest opportunities to advance Canadian interests, while our trilateral efforts complement progress on the bilateral front. In this vein, the Government's strategy in North America is based on three pillars:

- ***Advancing Canadian Interests with the United States***
The US is the most dynamic economy in the world and represents Canada's largest market and largest investor. It is the source of much innovation and technology transfer for the Canadian economy. At the same time, by virtue of geography, Canada's physical and environmental security are intertwined with that of the United States.
- ***Strengthening Canada's Political and Economic Links with Mexico***
Through the NAFTA, Mexico has emerged as Canada's fourth largest export market and as a key partner in the hemisphere. Canada-Mexico linkages have experienced an impressive expansion in political, economic, social and cultural terms over the last decade, and the Government is committed to working with Mexico to build upon this solid relationship.
- ***Promoting the Development of a Broader Agenda of Trilateral Cooperation***
The success of NAFTA for all three countries has built firm underpinnings for trilateral cooperation in areas of interest to all Canadians and involving different levels of government.